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KANSAS AND WISCONSIN AGENTS CONVENTIONS

THURSDAY, OCTOBER 30, 1947



FOUNDED ON FAITH

The Western Department of Fireman's Fund

marks its 75th Anniversary

On October 8, 1871, Mrs. O'Leary's cow kicked over a lantern that started the great Chicago conflagration and incidentally inspired the establishment of the Western Department of Fireman's Fund Insurance Company. Then only 8 years old, Fireman's Fund demonstrated its Strength, Permanence and Stability by promptly paying over half a million dollars in claims, an amount that even exceeded its capital. With losses so severe that 149 insurance companies failed, were suspended or withdrew to their home states, the Fireman's Fund

achievement stood out like a beacon light. A testimonial containing 144 signatures was presented to the Company by business firms in appreciation of Fireman's Fund paying all its losses in full. Fireman's Fund responded by opening its Western Department in Chicago on July 1, 1872, a Department founded on faith in the face of ruin and destruction. With that faith more than vindicated through the years, Fireman's Fund salutes its Western Department on the occasion of its 75th Anniversary.



DEPENDABLE INSURANCE SINCE 1863



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Underwriters Grain Assn. Ceiling Restricts Market

Elevator Owners Unable to Insure High Value Wheat

Establishment of ceilings on terminal grain elevators and contents by Underwriters Grain Assn. in the face of rising grain values has created a serious lack of capacity in this market. Chicago brokers reportedly are unable to cover a good portion of their client's exposures.

It is estimated that some 50% of the grain in terminal elevators is owned by Commodity Credit Corp. This creates an extremely difficult problem, because last July the terminal warehousemen entered into agreement with the government in which they guaranteed to insure all C.C.C. grain in their elevators. The tightening of association underwriting which took effect two months later caught them without any way to insure much government grain. The operators complain about the timing of the restrictive moves, saying that if they had had an inkling of such a policy back in July they could have made an arrangement for the government to insure its own grain, or at least that portion in excess of that which the pool would take.

The brokers have been able to effect some excess cover above association limit from the companies within the grain pool acting on an individual basis. Lloyds has been of some help, but are glutted with terminal elevator coverage, because in this market excess of loss reinsurance for Underwriters Grain Assn. is carried. Lloyds have suffered losses over the years along with the members of the pool.

Cry for Federal Cover

The great majority of the terminal grain elevator operators who are not storing government grain apparently own the grain which they store and have been forced into self insuring a good portion of it. This has raised a good many understandably anguished cries from them for government insurance.

Some idea of the immense concentrations of value which are found in the terminal elevators can be gathered in the case of one at Chicago where apparently the grain pool has limited contents coverage to \$15 million, when the actual value is now in excess of \$22 million and going up every day. The four largest elevators covered by the pool have a capacity of 10 million bushels of wheat apiece, whereas there are many others that range in capacity from two million bushels on up. With establishment of a 30 year peak in wheat prices and no honest prospect of a drop below three dollars, this means exposure on the largest elevators in excess of \$30 million whereas a couple of years ago exposure on the same elevator was but \$10 million.

In addition to the wheat itself, the insurance companies provide additional coverages on buildings, machinery, and use and occupancy which boost values. Loss experience on both the concrete and wooden terminal elevators has always been bad and the past year was the worst in history.

All of which makes it good sense
(CONTINUED ON PAGE 32)

Buyers Acutely Aware of Fire Legal Liability

A chorus of amens was heard at the dinner meeting of Midwest Insurance Buyers Assn. at Chicago when, during the course of discussion, the increasing importance of liability insurance was mentioned because of the emphasis that the fire insurers are giving to pursuing subrogation. Edward Berquist, Pure Oil Co., brought up the question and expressed the opinion that high P.D. limits are even more important than B.I. He said his company had been confronted with individual claims for nearly \$100,000.

Arthur Murray, Container Corp., said it is a mistake to assume that there is no cause for concern because the other fellow has insurance. He said his company is committed to high P.D. limits. It wants the catastrophe cover and defense counsel.

Doubles the Worst

Mr. Berquist said that carrying high P.D. limits is in harmony with the principle of providing protection against losses that could impair the financial statement. He said his policy is to estimate the worst that could possibly happen and then buy insurance in double or treble that amount.

Another member said that a tenant in a multiple occupancy building is particularly exposed. There is always the danger in connection with fire arising in his place that negligence can be established or some unwitting violation of an ordinance turned up. Such a fire may attack other occupancies that possess undreamed of values.

One member said that he had been apprised of six successful fire legal liability subrogation cases in a two-year period, each involving more than \$50,000.

Roy L. Jacobus, Montgomery Ward & Co., expressed the belief that such subrogation actions are infrequent, but that they are pursued aggressively by the fire companies in big cases.

Use Lloyds Excess Plan

It was indicated that a number of the large assured were taking care of their P.D. liability in large limits by means of a Lloyds excess cover. One such assured, for instance, has Lloyds cover of \$2 million over \$10,000.

Another member spoke of the necessity of buying high amounts of automobile P.D. cover, pointing out that due to inflation, the values of cargoes in trucks has greatly increased and "we have to meet the existing values of cargoes of trucks that our drivers may damage."

The discussion was preceded by two formal talks, one by Mr. Jacobus, and the other by Donald L. Powell of U. S. Gypsum. Mr. Jacobus said that the insurance manager has to be a jack of all trades in his company and must know something about everything that goes on. Among his responsibilities are to analyze risks to which the company is exposed and to know what is contained in contracts and leases. Such contracts may contain obligations to which he will object and if these are not removed, it is his job to get the proper coverage. He must determine the best method of insuring the risk. For instance, in connection with certain losses he may determine that a policy of non-insurance is correct. This would involve such things as small merchandise claims for which the company perhaps could not and would not want to buy cover. He may determine that self-insurance is wise in certain particulars and part self-insurance and the balance under excess cover in other directions. Then he must take a part in the negotiation of required insurance and loss adjustments, administer self-insurance programs, deciding on reserves and justifying his opinion.

Mr. Jacobus said that the insurance manager should see that self-insurance

operations are handled on a strictly insurance basis and not as a catch-all for losses that would not be covered under commercial insurance. Then there is the matter of administering employee insurance plans, prevention and control of losses and supervision of personnel in the department.

Mr. Jacobus emphasized the importance of standardizing the type of provision that goes into leases and contracts so far as possible. He should resist pleas for exceptions and should undertake to get the support of management.

Insurance policies should be made fixed and definite. For instance, Montgomery Ward requires that every new building must be approved by the loss prevention division. There must be sprinkler systems in retail buildings, there must be elevator inspections before a warehouse is occupied. Where values exceed a stipulated figure, a watchman must be installed.

The insurance department is something of an island within a corporation, and it is important to cause management to evaluate the importance of this operation correctly and to see that good personnel is provided.

Selection of Broker

Mr. Powell spoke on dealings with brokers and insurers. He said that the selection of a broker is perhaps more vital to a small company than to a large one, because for such a concern the broker becomes actually its insurance department.

He said that the real need of insurance companies is in times of distress, and the way to insure that they will be a strong right arm in time of need is to lean over backwards in the settlement of claims. He told of an old boiler that was inadvertently insured and three claims were collected for blown out tubes. The insurance department felt that this was an imposition on the insurer and the checks were returned and the coverage was canceled by the assured retroactively.

In the course of the discussion, the question was asked as to how limits of liability are determined for automobile and general liability. One member said that they carry \$100/300,000 B.I. limits and \$50,000 P.D. Since the insurance is on the experience rating basis, it costs no more to carry high limits, and he said they might as well go \$500,000.

Employee-Owned Cars

On the question of coverage on employee-owned cars, one member said that his company requires the employee to carry insurance in limits of \$10/20,000 and P.D. of \$5,000. Due to the fact that the wrongful death limits in Illinois have just been increased to \$15,000, he said that the required limit should be at least \$15/30,000.

One member said that whereas previously it insisted on having the company named, along with the employee, in the latter's auto policy, it now insists that the company name not be mentioned, but the company insists on having possession of the employee's policy.

Another member said that his company likewise insists on not being named in the policy, but it wants a five or 10 day cancellation clause in its favor.

One of the members said that his company does not require the employee to carry insurance, but takes care of the company's risk through a contingent lia-

(CONTINUED ON PAGE 32)

Guess Maine-N. H. Insurance Loss at \$5-7 Million

Bar Harbor and Kennebunkport Area Worst Hit

Although it will take several more days to get a near estimate of the total insured loss resulting from fires communicated by the forest fires in Maine and New Hampshire, preliminary checking indicates that as of Oct. 20 the property damage will run close to \$10 million, of which from \$5 to \$7 million will be insurance loss. Early evidence points to consistent and considerable underinsurance.

The two areas worst hit were Bar Harbor and the area near Kennebunkport. In the latter the summer resort of Goose Rock is about half gone and that of Cape Porpoise is about a third destroyed. The largest property loss will not run more than \$25,000 and most are in the \$8-\$12,000 class.

Some Agents Burned Out

At Newfield, Waterboro and Alfred, General Adjustment Bureau reported 633 properties totally destroyed. Brownfield, in Oxford county, also was wiped out. These are small villages, and it is reported that the agents operating in them as individuals were burned out. So far as could be learned, none of the larger agencies, either in this territory or around Bar Harbor, lost their property or records.

Around Kennebunkport the Red Cross listed the following properties destroyed: 635 dwellings, 137 small summer cottages, 97 lots of household furniture which had been removed from one danger area only to be destroyed at the new location, 45 farm barns (regarded as a conservative estimate), and 12 mercantiles, most of them small, as well as 110 partial dwelling losses—a total of 1,035. The insurance loss is estimated at less than \$2½ million.

At Kennebunk, Walter R. Cole of the C. H. Cole & Sons agency, reported that a woman who owns a hotel in Goose Rock came in in the morning. The fire was then some distance away. He asked her facetiously if she wanted some more insurance. No, she replied, she was paying as much as she could for insurance. By mid-afternoon, the fire had reached Goose Rock and her hotel was burned to the ground.

Mr. Cole said he had a number of requests for additional insurance while the fire was out of control, but wrote none. Since then requests for more coverage have come in.

General Adjustment Bureau set up a catastrophe office at Cape Porpoise, then moved to Biddeford for greater convenience. Twelve adjusters are on the job there.

Bar Harbor was mass evacuated. Mount Desert Island, on which Bar Harbor is located, lost 227 properties—169 average year around dwellings, seven hotels and institutions, and 51 palatial estates. The property loss is estimated \$5 million and the insured loss \$2½ million. A catastrophe office immediately was set up by General Adjustment Bureau with 12 adjusters, and it was a question whether early arrivals were going to adjust losses or fight fire.

The mercantile area at Bar Harbor
(CONTINUED ON PAGE 13)

End of Regulation W Won't Bring Speculative Financing

But New Car Market Is Opened to White Collar Workers

The abolition of regulation W, which governed the terms of time sales transactions, is not expected to precipitate a rash of speculative automobile financing, observers close to the scene believe.

Individual finance company operators that might be tempted to offer shoestring terms, it is believed, will be curbed by their bankers either on their own initiative or because of the vigilance of government authorities.

Members of Chicago Assn. of Finance Companies have just recently agreed on automobile financing terms and this is very likely to prove to be something of a national pattern.

On 1947 cars there is to be required one-third down and a maximum of 24 months instead of 15 months as in the past.

On 1946 cars the down payment is one-third and maximum term 18 months; on '40, '41 and '42 cars, one-third down and 15 months, and on older cars, one-third down and 12 months.

Under regulation W the minimum requirement had to be one-third down and 15 months.

Effect of New Plan

The principal effect of the new requirements is expected to be opening the automobile market to a greater number of white collar workers. For instance, as one observer puts it, such an individual might not be able to swing \$72 a month, but he could very well arrange to pay \$45 a month.

The number of time sales of new cars is reported to be steadily increasing. Whereas, six months ago only about 10% of new cars were being bought on time, now it is believed the average is closer to 30%.

It is said that about two-thirds of the cars being purchased on time are being financed by finance companies that have their own insurance company affiliates, and most of the other one-third are being insured by specialty insurers, and most of the insurance is on various types of retrospective plans. Most local agents have washed their hands completely of finance accounts, and finance business is pretty much a thing of the past so far as regular agency insurance companies are concerned.

Profit Guaranteed

There are a number of insurance arrangements whereunder the insurer is guaranteed a certain percentage of profit, but with an aggregate stop loss. For instance, the guaranteed profit may be 15%, but if the loss ratio exceeds 85%, the insurer pays all such excess losses out of its own pocket. The finance company keeps the difference if the ratio falls below 85. There are other arrangements whereunder the stop loss point is set at a ratio of more than 100%. Some of those in the field believe that it is necessary under the law for an insurance company to assume an element of risk somewhere along the line. This may be only at a very high point, but there must be a risk bearing situation involved.

Others, however, apparently believe that this is not necessary and there are said to be arrangements whereunder the insurance company is guaranteed a

N.A.I.A. Steering Group Meets at Miami Dec. 5

The new executive committee of National Assn. of Insurance Agents will hold its first meeting at Miami Beach Dec. 5. This will be just prior to the mid-winter meeting of National Assn. of Insurance Commissioners at Miami Beach, starting Dec. 7. It is expected that the entire group will remain in town throughout the N.A.I.A. meeting. It is N.A.I.A. policy to keep in close touch with the commissioners. At the Atlantic City N.A.I.C. meeting in June seven N.A.I.A. leaders were on hand.

In announcing the completed personnel of the committee, President W. P. Welsh and Vice-president John C. Stott



Walter Sheldon



Robert S. Perkins



Melvin J. Miller

enunciated a program for the year which embraces intensification of fire and accident prevention activities; further development and revitalization of local boards; stimulation of agency cost studies presently in progress, with broader cooperation from N.A.I.A. members as an immediate goal; cooperation with insurers in matters pertaining to capacity; assistance to state associations in the administration of regulatory laws; further implementation of a broad intensive public relations program.

The two elected members of the executive committee are O. Shaw Johnson of Clarksdale, Miss., and Norman A. Chrisman of Pikeville, Ky.

Appointive Members

The three appointive members, as announced last week are Melvin J. Miller of Fort Worth, Walter M. Sheldon of Chicago, and Robert S. Perkins of Manchester, N. H.

Mr. Miller and Mr. Sheldon are new members. Mr. Perkins was reappointed.

Mr. Miller is the principal owner of DuBose, Rutledge & Miller. He has been in the local agency business 35 years. He is a graduate of Texas A. & M. College, and after experience in fire insurance rating bureau work, he entered the local agency field, and in 1919 joined his present firm. He is president of Texas Assn. of Insurance Agents and has been active in the councils of that organization for many years. He is president of Fort Worth Chamber of Commerce, past-president of Fort Worth Community Chest, and

profit no matter what the loss ratio may be. Sometimes the finance company is required to make a deposit which the insurer may draw upon if the loss ratio exceeds a certain amount. There are reported to be other types of arrangement whereunder the finance company simply pays, say 10%, for the use of a company's policies and its name. The finance company collects all the premiums and pays all the losses.

\$2 Million Hail Loss in Texas

DALLAS — Jacksonville and other cities of east Texas suffered about \$2 million damage Sunday from hail driven almost horizontally by high wind.

Ready for Big Cal. Agents Rally

A record registration is expected for the convention of California Assn. of Insurance Agents at Hotel Del Coronado, San Diego, Nov. 17-18.

Speakers include W. P. Welsh of Pasadena, president, and Frank C. Colridge, secretary of N.A.I.A.; Dr. Elmer S. Nelson, economic consultant to American and Latin American interests on "What Business Can Expect"; Commissioner Downey, and S. L. Carpenter, Jr., Pacific Board; Rollo E. Fay, National Bureau of Casualty Underwriters, and Harold D. Sammis.

General convention chairman is Ralph E. Bach of San Diego. Heading the program committee is Harry Schroeter of Oakland; banquet chairman Don Thompson of Glendale; housing, Harold M. Steele, San Diego; reception, Joseph Gelcher, San Diego; registration, Ed Hall; ladies, Mrs. Ed Hall; transportation, Chet Loomis, San Diego.

A presentation on driver education will be given by Henry K. Evans, director traffic engineering division, National Conservation Bureau.

There will be a quiz program, entitled "Dr. Insurance, Quizmaster" and will be staged by Pacific chapter C.P.C.U. society.

Agents are urged to submit questions on forms and coverages to Rees E. Roston, 548 South Spring street, Los Angeles 13. Cash prizes will be given.

Fears Buys Eberle General Agency at Oklahoma City

Will S. Eberle has sold his general agency at Oklahoma City to Joseph B. Fears, former state agent in Oklahoma for National Union. The agency operates in Oklahoma, Kansas, Texas, Nebraska and Mexico, representing Albany, Alliance, Globe & Rutgers, American & Foreign, American Home, Baltimore American, Law Union & Rock, Yorkshire Indemnity, General Anglo-Mexicana, London & Lancashire Indemnity and General Accident.

Mr. Fears served in the last war as an army major. Mr. Eberle has retired and is living in Beverly Hills, Cal.

Sabin Heads Rockford Unit

The Rockford service office of American has been placed in charge of Supervisor Fred H. Sabin. He will be assisted by Special Agent Kenneth E. Erickson, who has been with American since 1939, having occupied positions of increasing responsibility in the fire underwriting department.

Shaler G. Smith, formerly with the Rockford service office, heads the agency analysis department.

past potentate of Moslah Shrine Temple.

Mr. Sheldon is vice-president of W. A. Alexander & Co. He has been an important factor in N.A.I.A. work, especially during the past year as chairman of the metropolitan agents committee. Mr. Sheldon was with Fireman's Fund in office and field work from 1910 until 1918, except for service in the first war. He was president of Cook County Field Club in 1923. He joined W. A. Alexander & Co. in 1919. He is a past president of the Chicago Board, former vice-president of Insurance Federation of Illinois and was secretary of Chicago Insurance Agents Assn.

Substantial License Fees Loom for Chicago Brokers

In a test case of the Chicago ordinance requiring equal license fees for insurance brokers and real estate brokers who write insurance, Judge Cecil C. Smith of license court, ruled the ordinance unconstitutional on the grounds it discriminates against the insurance broker. This forces the city to pass a new ordinance which requires the real estate broker to pay an extra fee if he is to have insurance privileges. It supports an earlier injunction against the fee and means that the city's 7,000 brokers will be required to pay nothing until a new ordinance is drawn up. The organized brokers are pushing for a substantial fee and a bonding requirement to protect the public against fly-by-nighters.

The test case was pushed by Terry P. Bannon, a broker who had been arrested for non-payment of the existing fee. His attorney was Edwin Fifielski.

After a 15-year respite, it looks as if once again Chicago insurance brokers will be paying a substantial city license fee. A subcommittee of the city council has recommended that the city fee for insurance brokers be raised. This will surprise many brokers because few have paid the city fee since they were protected from it by an injunction in 1933 and many of the newer brokers are not aware of the existence of such a fee. The recommended fee of \$35 per year is held not to be conclusive, but what is conclusive is that the city council aims to pass an ordinance which will require brokers to pay by circumventing the injunction. This it plans to do by charging real estate brokers who also sell insurance a higher fee than pure insurance brokers, thus knocking out the basis for the injunction, discrimination against pure insurance brokers.

Recommendation by the aldermen of a \$50 fee for real estate brokers who also write insurance and a \$35 fee for insurance brokers recognizes the contention of Illinois Assn. of Insurance Brokers that the insurance broker should pay a lower fee than the real estate insurance broker. An old city ordinance sets the current license fee for both real estate and insurance brokers at \$27.50 per year.

Within the past several months the city has attempted to crack down on brokers and has arrested a number of them for non-payment of this license fee. The brokers' association has interceded, pointed out the existence of the injunction and voided the arrests. Mayor Kennelly and other city officials have been very much surprised to find that the injunction against the old ordinance exists and have called leading brokers and real estate men together in an effort to establish a fee which will be acceptable to all parties.

Quite a few brokers have paid the fee in the recent drive unaware that the injunction protected them.

Brokers understand that the mayor is opposed to any fee above \$27.50 for insurance brokers, but that he has agreed that the combination real estate and insurance broker should pay a higher fee. The subcommittee recommendation now goes to the licensing committee of the city council and whatever fee is set there is expected to be passed by the aldermen.

This fee will be in addition to the \$10 a year which brokers pay for their state licenses.

Starts Coast Building

Michigan Millers Mutual Fire has broken ground at Glendale, Cal., for a new building to house its California business. It will be a one-story structure with 4,000 square feet of floor space.

Mutual General Agents Form an Association

W. Emmert Swigart Elected President at Cleveland Organization Meeting

Following plans laid last year in New York, the mutual general agents attending the convention in Cleveland of the National Assn. of Mutual Insurance Agents formed a new organization, the Mutual General Agents Assn. Officers were elected and a new constitution adopted at the first business meeting.

President is W. Emmert Swigart of Huntingdon, Pa., who was president of the agents association in 1945 and has been active with that group for many years.

T. W. Harrison, Richmond, Va., is vice-president and secretary and Maynard V. Mills, Lincoln, Neb., is vice-president and treasurer.

Directors are R. A. Norwood, Little Rock; J. C. McGee, Jackson, Miss.; R. S. Dial, Dallas, and John Ratterree, Greer, S. C.

The new association will file incorporation papers in a state to be selected by the board.

As was brought out at Cleveland, the general agents have had in mind the formation of an association for some time. They met during the meeting of the mutual agents in New York last year and named as acting officers J. M. Zachary, Greenville, S. C., president; W. J. Perryman, Birmingham, vice-president; and Robert A. Moses, Sumter, S. C., treasurer. J. D. Randolph, manager of the Zachary general agency, drafted the new constitution, which was adopted article by article following debate on membership eligibility.

Purposes are Stated

The constitution reads that the purpose of the new organization "shall be for the promotion and maintenance of the fire and casualty general agency system, it being acknowledged that a general agency shall be an operation independent and free from the direct or indirect ownership of any insurance company or company management; it being also accepted that compensation rendered by companies to general agents for services performed constitutes a supervisory and management expense; for a better understanding of the general agency system on the part of local agents and the public; for promoting of cordial relations among its members; for interchange of information and discussion and solution of mutual problems; for promotion and support of improvement in the fire and casualty business; for promotion of fire and accident prevention; for the perpetuation of the mutual agency system."

Two Resolutions Adopted

Two resolutions were adopted giving support of the general agents to state and national associations of mutual agents, and urging closer cooperation between general agents and their companies.

There were 20 general agents attending the organization session, and they and about six more who were unable to

be on hand, constitute the charter membership. It was anticipated that the association can build up a membership of somewhat more than 100 within a year or so.

Take Dim View of Asphalt Asbestos Protected Metal

The attention of special risk underwriters has been drawn to the recent fire at Gary Screw & Bolt Co., Gary, Ind., the loss being estimated at from \$300,000 to \$500,000. This is one of a number of fires that have occurred recently in asphalt asbestos protected metal buildings, and the underwriters are taking somewhat of a dim view of such construction.

This material consists of a core of steel to which is bonded by asphalt a layer of asbestos, and then there is an asphalt covering on the outside surface. The Gary Screw & Bolt plant was a

large metal-working risk having walls and roof constructed principally of asphalt asbestos protected metal. About 20% of the area was sprinklered and the balance, where contents was regarded as mainly incombustible, was not so protected.

The area involved, which was not sprinklered, contained several oil furnaces that discharge their products of combustion within the building, and it is said that a lumpy, oily deposit existed on the under surface of the roof. Fire is believed to have originated from an electrical short circuit in an overhead crane. The fire spread rapidly beneath the roof, damaging about three 40 ft. bays by the depth of the building, which was about 300 ft., requiring replacement of all sheathing and many purlins and some trusses. As the asphalt asbestos protected metal burned, there was said to be festooning of large

burning sheets which dropped loose, igniting whatever contents would burn.

Insurance was carried by the factory mutual companies.

Iowa Licenses Bureaus

DES MOINES—The Iowa department has licensed National Assn. of Independent Insurers, Allied Lines Assn., National Council on Compensation Insurance and Surety Assn. of America, under the new rating law.

First Winecoff Policy Paid

ATLANTA—The first insurance payment on the Winecoff Hotel fire in 1946, was made here, when Judge Bond Almand approved payment by Home Fire & Marine, of \$43,165 to the receivers of the hotel properties, covering the hotel's furnishings.

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14 years large company experience
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31 years experience as Claim Adjuster and Manager. Excellent references from former employers and others.
O. K. JACKSON
125 Kennedy Avenue
San Antonio, Texas

Mutual Agents Cap Biggest Year at Cleveland Rally

**Membership Passes 2,500,
Five States Affiliate,
Sager Elected President**

CLEVELAND—The National Assn. of Mutual Insurance Agents climaxed the best year in its history at the annual meeting here. Achievements of the past 17 years produced an air of optimism which pervaded every session. There were close to 400 registrants and every meeting was well attended and drew much audience participation.

New president is Benjamin G. Sager, manager of Central Mutual Agency of Cleveland and program chairman for the convention. Mr. Sager last year was vice-president of the National association and chairman of the membership committee. His election was a tribute

to his accomplishments on many association fronts. A graduate of Western Reserve University, he entered the insurance business as an adjuster for Travelers in 1930, two years later becoming special agent for Lumbermen's Mutual Casualty. He joined the Central Mutual Agency in 1940. Mr. Sager is a C.P.C.U.

Directors elected were Joseph F. Conray, New York city; Henry D. Bean, Haddonfield, N. J.; H. O. Arthur, Waterloo, Ia.; H. O. Mayer, Oelwein, Ia., and H. Clay Johnston, Philadelphia. Mr. Sager was reelected to the board.



Sam Chandler



B. G. Sager

The great strides the association has made in the past year were displayed at the first business session when Secretary J. Wayne Barker of Nashville reported the addition of 710 new members

bringing the total to 2,526. Five state associations affiliated with the national body—California, Minnesota, Michigan, Indiana and Kentucky. They were welcomed by President Sam Chandler, Macon, Ga., who presided ably at all ses-

NEW OFFICERS ELECTED

President—Benjamin G. Sager, Cleveland.

Vice-presidents—Gorey G. Hunter, Moravia, N. Y.; Lee E. Davis, Dallas; G. E. Ratliff, Jackson, Miss.; Hugh H. Murray, Raleigh, N. C.; H. C. Fenno, Philadelphia.

Secretary—J. Wayne Barker, Nashville (reelected).

Treasurer—John H. Kroll, Washington, D. C. (reelected).

Executive secretary—Philip L. Baldwin, Washington, D. C. (reelected).

sions. N.A.M.I.A. now embraces 24 associations covering 30 states.

John H. Kroll, Washington, treasurer, reported the association to be in its best financial condition in history. Messrs. Barker and Kroll were reelected to their posts, the by-laws being amended to permit the reelection of the treasurer. Both men received high commendation on the execution of their jobs.

Another officer in line for high praise was Philip L. Baldwin, executive secretary at Washington. Mr. Baldwin did a great deal of traveling last year and is due much credit for the affiliation of the new state groups.

The meeting got under way with a luncheon at which Senator John W. Bricker of Ohio was speaker. Mr. Bricker appeared after E. F. High, president Ohio association, welcomed the delegates. J. W. Huntington of Columbus, manager of Ohio department for the Mill Mutuals, introduced the senator. Mr. Bricker spoke in a general way on the domestic and international situation and stated his views on foreign loans, government expenditures and kindred subjects. He was a most popular speaker. Many of the delegates were from southern states and thus adherers to the Democratic party line, but President Chandler remarked that if Senator Bricker's views meant that one must be a Republican to agree with him, then there were now many more Republicans in the audience.

John A. Arnold, vice-president, National Retailers Mutual, and Ray J. Mills, president Iowa Mutual Liability, explained company problems at the afternoon session from a fire and casualty standpoint.

Mr. Arnold remarked that he would try not to overstate the problems of fire companies, and recited a number of factors that have caused their difficulties.

The strong defense of a company's right to refuse business it does not want in favor of sound management and financial stability was voiced by Mr. Mills. He declared that companies have no obligation to insure large risks that formerly were placed at cut rates or on some unorthodox basis and still look for special advantages.

I.R.M. Commission Increase

A surprising and welcome note was interjected at the business session when General Manager Howard F. Russell of Improved Risk Mutuals announced that effective Dec. 1 that group will raise commissions on preferred business from 17½ to 20%. This announcement so took the audience by surprise that applause was not forthcoming until after they fully understood the meaning of his statement.

The second morning was devoted to public relations and advertising with Louis F. Gordon, vice-president Citizens & Southern National Bank of Atlanta, as keynote speaker.

Mr. Gordon discussed mainly the "invisible gap" between the industry and the public as regards its technical language. The more strongly the business establishes its technical operations, the more effort should be put forth on qualification of those operations, he declared.

He used a set of pictures to illustrate his point that selling must be slanted towards the selfish instincts of the buyer rather than on the desire of the agent to pick up premiums for policy delivery.

Gives Direct Mail Pointers

Robert Stone, vice-president National Research Bureau, Chicago, showed a series of film slides on tested direct mail advertising. Mr. Stone covered only one aspect of direct mail, how to determine what type of letter will produce the most results. He mentioned the case of Postal Life & Casualty, which has used the same letter for 20 years without changing a single word. Any letter that works should not be changed, he said, no matter how tired the sender may get of it.

Mr. Stone predicted that in the future direct mail will pull more effectively if color is used and circulars enclosed. One effective way of drawing reader attention is to indent a key paragraph. Another is to use meter envelopes instead of stamps whenever possible because meter envelopes are an indication of a large and stable organization.

A few examples of insurance company direct mail were shown, and Mr. Stone criticized them on the ground that often pictures were used on a letter directly beside the copy. This is distracting to the reader, he pointed out, and if a picture is placed on a letter it should be at the top so that the reader's eye cannot wander from the lines.

Bigger advertising programs by mutual agency companies and a start along that line by the National association has reached a point where it has become enough of a factor in the business to advertise its position, he commented.

Mr. Baldwin also announced that the association's code of ethics has been printed and is available to members in their offices.

An innovation in the mutual agent program was the introduction of evening bull sessions on three coverages of interest. The subjects were inland marine and aviation, business interruption, and fidelity and surety crime coverages. All three sessions ran concurrently and each was crowded.

T. L. Osborn, Jr., assistant secretary National Retailers Mutual, and E. J. Raabe, assistant secretary Central Manufacturers Mutual, led the inland marine discussions. Personal property floater questions dominated this session, and a most interesting sidelight was the explanation of Hugh H. Murray, Jr., of Raleigh, N. C., who told how he is able to sell annually \$200,000 of P.P.F. coverage in a town of 55,000.

Requires Only Solicitation

Mr. Murray said that he can sell P.P.F. to everyone simply by solicitation. The average income in his town is about \$3,600 and he sells only on the basis of insurance to value.

His standard approach is to show a prospect by example that he has property to protect. He asks if they have any silverware, and if so how much they

(CONTINUED ON PAGE 32)

CASUALTY UNDERWRITER

We have frequent requests for men with experience in casualty lines especially Compensation and Liability underwriting. Working conditions and advancement possibilities are excellent. Let us help you find the right spot.

FERGASON PERSONNEL

Insurance Personnel Exclusively
330 S. Wells St. Chicago 6, Ill.

Chartered 1842

3

The Atlantic Companies

For many years Atlantic, originally a marine insurance company, has been engaged in broadening the scope and variety of its insurance services. Today Atlantic offers the diversified facilities of 3 companies, writing marine, fire, inland transportation, yacht, property floaters, automobile, liability and casualty insurance. We are gradually extending the territories in which these facilities are available. Ask any agent or broker placing business with the Atlantic Companies about our financial strength, friendly cooperation and efficient service—including the prompt, fair and ungrudging settlement of claims.

ATLANTIC

ATLANTIC MUTUAL INSURANCE COMPANY
CENTENNIAL INSURANCE COMPANY
ATLANTIC MUTUAL INDEMNITY COMPANY

FORTY-NINE WALL STREET • NEW YORK 5, N.Y.

Baltimore • Boston • Chicago • Cleveland • Detroit • Houston • Los Angeles
Newark • New Haven • Philadelphia • Pittsburgh • Syracuse • San Francisco

Marine, Fire, Inland Transportation, Yacht, Property Floaters,
Automobile, Liability and Casualty Insurance

Paul Goes New

The annual Silver Cup about 600. The company by President Hatch, given by City. Mr. report that many of the local interests to solve. Howel state director Apol. In the speakers' list, Whittier, California, executive In the present

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Paul Rubincam Goes to Top of New Mexico Unit

The annual convention of New Mexico Assn. of Insurance Agents was held at Silver City with 46 registrations and about 60 at the banquet.

The convention was called to order by President J. H. McLaughlin of Hatch, and address of welcome was given by Mayor Porterfield of Silver City. Mr. McLaughlin in his president's report stressed the fact that there are many problems in the national and in the local pictures which he felt that all interests in the business would be able to solve.

Howell Earnest, Santa Fe, national state director, reported and Superintendent Apodaca then spoke.

In the afternoon session the two speakers listed on the program, Robert White, president Insurance Assn. of California, and F. E. Hayden, executive secretary California Assn. of Insurance Agents, were not present so there was a general discussion of the matter of the formation of a surplus lines association which was led by Paul Sackett of Albuquerque and the subject was referred back to the same committee for further study with the possible thought that the matter might be ready for the legislature in January of 1949. The plan discussed was the Utah plan.

Leonard Stebbins of the firm of Cobb & Stebbins, Denver, led a discussion on the question of an assigned risk bureau for automobile insurance as brought into prominence by the financial responsibility law which went into effect Oct. 1 in New Mexico. He explained the workings of this same kind of a bureau in Colorado.

At the Saturday morning session the constitution of the association was amended to conform with the national pattern. The association adopted a resolution requesting the companies to confer with the local agents before announcing commission changes. Another resolution asked for statistics from all members of the association as to the volume of business done by each agent and a resolution was adopted to petition all casualty companies to organize a pool to take care of difficult casualty lines.

Saturday afternoon an address was given by Ray Ellis, vice-president of Fireman's Fund.

Mr. Ellis, in his talk on the underwriting problems of the day, predicted that in the future, even though experience improves, companies will continue to strive for a balancing of their classifications from agency sources, and he said both agents and companies would be wise to strive for what he called a "balanced book." He counseled agents to spread their business to their companies in proper proportion and to do their best to develop a more diversified business and not just to handle the easier-to-get business, or lines like automobile, compensation, etc.

He also advised agents to direct their business to companies that are known to be agency minded and to stay away from "flybynight markets and fair weather friends." Especially, he said, the agent should beware of companies that in good times offer excess commissions. Such companies are not available when they are most needed and he declared the graveyard is full of companies that offered special inducements.

He recommended that the agents not

undertake to write all the business that they can get their hands on, but rather to do a job of underwriting at the source. The small commission that is sacrificed to keep classification clean will be more than offset by the lack of difficulty the agent will have in relations with his companies and his good clients.

Mr. Ellis expressed the belief that the public is becoming more price conscious, and the agents will have to do more effective selling. The agent should be able to muster effective arguments to justify the rate increases.

Agents should cooperate in keeping the adjustment of losses in line.

"We can't let garages and repair shops charge us anything they want to for repairing automobiles, nor can we pay anything to anybody out of insurance company funds that we wouldn't pay if those funds were our own," he declared. For every excess claim paid the public has got to pay a higher premium.

Agents will always prosper, as will companies, in direct relation to the value of their services. There will be more and keener competition, and agents and companies are going to find themselves subject to the test of the survival of the fittest.

Truckers to Get Down to "Bed Rock" on Insurance

Ted V. Rodgers, in his presidential report at the annual meeting of American Trucking Associations at Los Angeles, announced that a conference committee had been appointed to work with insurance company officials "to get down to bedrock on insurance problems and insurance costs."

"You can expect some favorable results from their work in the months ahead," he went on.

The committee will be assisted by the department of research that was recently created within the trucking associations. The research bureau is now preparing data on insurance costs and laws for use of the committee.

In August the A.T.A. insurance committee held a two-day meeting at Chicago, and made a number of recommendations including the conduct of an educational program covering the whole field of insurance as it relates to motor carriers; informing insurance industry of truckers' accomplishments and progress in accident and claim prevention; making a comprehensive study of insurance in all its ramifications within the trucking industry; obtaining from

insurance organizations and regulatory commissions all available data preliminary to developing a program of insurance advice to motor carriers, and to study excess insurance in its application to trucking.

Brokers Call on Factory Mutuals to Fill Orders

Due to the pressure upon brokers to fill orders for ever increasing amounts of insurance on big industrial plants, it is said that some of the brokers are going these days to the factory mutuals to supplement the coverage that they are able to get from Factory Insurance Assn. The factory mutuals pay no commissions and the broker thus either has to place this business without remuneration or else arrange to collect a fee from the assured.

Likewise, it is understood, the factory mutuals are putting business in the way of brokers on lines in which the mutual market becomes exhausted.

Automotive Is Retiring

Automotive of Los Angeles is retiring from business. It was organized originally to write automobile dealers' coverages.



It's a grand feeling!

MANY THINGS PRODUCE

A FEELING OF SATISFACTION

I was never more satisfied than when I "went to town" selling the Comprehensive Personal Liability policy. Of course, half the battle was getting people to understand the policy and their need for it. That wasn't too difficult because I slipped a copy of the booklet "Where there's LIFE there's LIABILITY" in an envelope and mailed one to each of my prospects. Its many illustrations and the complete absence of insurance jargon made a hit with everybody. I was surprised at the profitable reaction my phone and personal follow-up calls produced, and I was amazed at the extent to which the booklet had lowered sales resistance.

Sample copy available on request.

AS COMPANION PIECES to "Where there's LIFE there's LIABILITY" we offer our agents a folder and policy tab, sales aids which have proven successful in soliciting Comprehensive Personal Liability business.

CASUALTY • FIRE • MARINE

ROYAL-LIVERPOOL Group

150 WILLIAM ST., NEW YORK 8, N. Y.

THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • QUEEN INSURANCE COMPANY OF AMERICA • STAR INSURANCE CO. OF AMERICA • ROYAL INSURANCE COMPANY, LTD. • THE NEWARK FIRE INSURANCE CO. • AMERICAN & FOREIGN INSURANCE CO. FEDERAL UNION INSURANCE COMPANY • THE SEABOARD INSURANCE COMPANY EAGLE INDEMNITY COMPANY • GLOBE INDEMNITY COMPANY • ROYAL INDEMNITY COMPANY

Asks End of W. Va. Agent-Company War

WHEELING—David S. Butler, West Virginia insurance commissioner, made his first official visit here Oct. 24, and was honor guest at a "Commissioner's" dinner.

Sponsoring groups were Wheeling Assn. of Insurance Women, Wheeling Board of Underwriters and Wheeling Life Underwriters Assn.

Tom J. Neff, past president of West Virginia Assn. of Insurance Agents, was toastmaster and he also introduced A.B.C. Bray of Logan, new president of that association. Mr. Butler was presented with a "Candlewick" glass set made by Imperial Glass Corp.

In West Virginia it seems desirable to have some form of rate regulatory law in connection with casualty insurance including motor vehicle coverage. He said he has an open mind on the best form of law. He voiced the hope that the insurance industry will organize study groups to examine this subject and undertake to arrive at a recommended program well in advance of the 1949 session of the legislature.

Mr. Butler remarked that there have been fights in West Virginia in the past which have engendered bitter feeling between agents and companies. Some of that feeling has been perpetu-

ated and still runs high at every session of the legislature. "If we are to solve the problems incident to rate regulation," he said, "it is going to be achieved in a large measure through a recrudescence of a spirit of loyalty working both ways. If you as an agent have disagreements with your companies, I urge you to call them in for a frank discussion and agree on a course of action which will preserve state control. Poor as we may be in Charleston, we are more accessible and approachable than any insurance department you will ever get in Washington and we do have your interests at heart."

Dineen, Jainsen, Hubbard on Maryland Agents Card

Superintendent Dineen of N. Y. will address the luncheon meeting Nov. 19, that will be the opening feature of the annual meeting of Maryland Assn. of Insurance Agents at Lord Baltimore hotel, Baltimore. This will be followed by a business session and election of officers.

The next morning there will be an educational program featuring a question and answer forum. One of the speakers that afternoon will be W. C. Jainsen, vice-president of Hartford Accident, on "What's Ahead for the Agent in Casualty Insurance?" Another speaker will be John C. Stott, Norwich, N. Y., vice-president of N.A.I.A. The banquet speaker that evening will be Clarence P. Hubbard of Automobile.

Three-Day Drill for Mutual Agents

Some 250 selected mutual agents, largely from midwestern states, will gather Nov. 6 at Hotel Montrose, Cedar Rapids, Ia., for a three-day survey of current insurance developments. They will make up the student body of the second 1947 Mutual Fire & Casualty Insurance Institute being presented un-



J. M. Muir



H. A. Kern

der the sponsorship of American Mutual Alliance, Chicago. The first institute was held at Buffalo Sept. 15-17.

Eleven lecturers each assisted by a panel of three technical experts, will make up the faculty. The closing session will be devoted to written examinations, with certificates for individuals successfully completing the tests.

The opening lecture, outlining the economic background of insurance, will be delivered by George D. Haskell, staff economist American Mutual Alliance. Fire insurance will be discussed by James C. O'Connor, editor of the Fire, Casualty & Surety Bulletins. E. W. Day, New York, resident secretary Lumbermans Mutual Casualty, will present an analysis of casualty contracts. Automobile insurance will be treated by William E. Jordan, New York, attorney for Mutual Policy Forms Committee.

Inland marine and aviation insurance will be the topic of William H. Rodda, Transportation Insurance Rating Bureau. Business interruption insurance will be the subject of George H. Blum, Chicago independent adjuster. The making of casualty insurance rates will be analyzed by J. M. Muir, New York City, secretary Mutual Casualty Insurance Rating Bureau. Rate regulation and administration will be discussed by John S. Hamilton, Jr., attorney American Mutual Alliance.

Dr. Frank H. Beach, professor of salesmanship, University of Illinois, will lecture upon insurance sales problems. The building of a successful insurance agency will be described by H. A. Kern, Van Wert, O., vice-president and agency secretary Central Manufacturers Mutual, and president of Mutual Advertising-Sales Conference. Final speaker, on loss adjustments, will be Gordon Davis, Chicago, manager Mutual Loss Research Bureau.

Sprinkler Men Gather

A group of about 40 sprinkler experts from inspection bureaus throughout the middle west gathered at Excelsior Springs, Mo., for their annual technical discussions. The presiding officer was John Hommes of Western Actuarial Bureau, Chicago. Ideal weather conditions prevailed and some of the sessions were held on the lawn.

LOSSES EXCEED \$1,500,000

Two Airline Crashes Are Insured by U. S. Aviation Group

United States Aviation group has the insurance on the United Airlines' DC-4, which was totally destroyed in a crash in Bryce Canyon, Utah, and also on the Pan-American Airways DC-4 which is missing in a storm in Alaska.

United is self-insured for crash, but has ground risks coverage with limited flight risks including fire in the air. Thus, the odds on chances are that U.S. will pay the hull loss which is believed will be in the neighborhood of \$720,000.

The plane was eastbound from Los Angeles to Chicago carrying 52 persons, including five crew members. The fire, of undetermined origin, started in the baggage compartment, and the pilot had managed to steer the plane within only a few seconds of an emergency field before the crash.

Utah has no limit on wrongful death, and thus the passenger liability potential loss is great should negligence be proved.

The only other coverages involved are baggage liability, which will be minor, and workmen's compensation on the crew members. This loss is unknown as beneficiaries can elect to bring suit from the employee's permanent address, his place of employment, or the state in which the accident occurred.

The hull value of the Pan American DC-4 is approximately \$300,000. That plane is reported missing in a storm between Ketchikan and Juneau, Alaska, with 13 passengers and five crew members aboard. The plane was only a little more than one-quarter loaded.

U. S. also has passenger liability, baggage liability and workmen's compensation of Pan American.

The wrongful death statutory limit of recovery in Alaska is \$10,000. Crew are all from Seattle, and Washington's workmen's compensation benefit scale would apply.

The immediate loss on the two planes will be roughly \$1,200,000, not including passenger liability claims. Added to this is the loss on trip air accident insurance. Associated Aviation has reported a minimum loss from this source of \$130,000 so far.

Rollins, Burdick, Hunter in Chicago, handle the United Airlines account.

This is the first loss on a DC-6, and another in a series on the DC-4s. Since the cause of the fire on the large plane is unknown, no structural deficiency can be attributed to it.

Underwriters still have faith in the DC-4, although pointing out that nearly all of them are converted army transports and thus range in age from two to four or five years.

Nashville Agency Expands

The Kimbrough-Phillips agency at Nashville has purchased the Nashville assets and loan account of Southern Trust Co. of Louisville, and has been appointed loan correspondent for Metropolitan Life for middle Tennessee. The agency is now located on the ground floor of the Chamber of Commerce building. Earlier this year the Phillips agency was absorbed in the Kimbrough-Phillips Co. Albert H. Phillips is president, and Miller G. Kimbrough, vice-president. Elroy Kavanaugh has been appointed manager of the mortgage loan department.

McLary Visits Chicago

Richard H. McLary, Dallas local agent, was in Chicago last week. He was formerly president of the Texas Assn. of Insurance Agents and has been prominent in the National association. He was being introduced in Chicago by G. C. Cundiff, manager of the farm department of Home.

INLAND MARINE INSURANCE

Our Inland Marine Manual places at your finger tips all you need for selling inland marine business AND taking the order.

It contains sales suggestions that are of real value.

Our fieldman will be glad to demonstrate its excellence.

New York Underwriters Insurance Company

90 John Street

7 New York

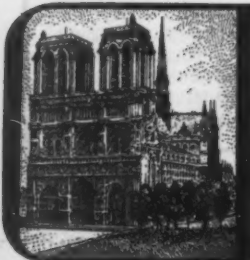
THINGS THAT ENDURE...Through TIME

NOTRE DAME—Famous Cathedral of France built on the small island of "La Cite". This beautiful edifice was started in the year 1163 and completed in the thirteenth century. It has been a haven of worship for more than 700 years.

The Northern Assurance was organized in Aberdeen, Scotland in 1836 as an Agency Company. It has remained so all-ways.

THE NORTHERN ASSURANCE CO. Ltd.

FIRE AND ALLIED LINES, AUTOMOBILE INLAND MARINE, REPORTING FORMS, FLOATER CONTRACTS
NEW YORK • CHICAGO • SAN FRANCISCO



Anthracite

The Anthracite meeting, Scranton, ranged showing explosion a film, "C" also exhibi

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Seattle

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FIELD

Anthracite Club Meets

The Anthracite Field Club held a meeting at Scranton Tuesday. The Scranton entertainment committee arranged for a presentation of a movie showing scenes of the Texas City explosion and fire. The National Board film, "Crimes of Carelessness," was also exhibited.

Will Inspect Alliance, O.

Fire Prevention Assn. of Ohio will inspect Alliance Nov. 12. Perry Holm, Fireman's Fund, and Harmon Holt, National Union, Cleveland, represent the association in arrangements and C. C. Eynon, Alliance agent, the local groups. Emmett Cox, Western Actuarial Bureau, Chicago, will speak at the luncheon.

Seattle Pond Activities

Seattle Blue Goose has scheduled several events. Oct. 31, the pond will hold a dinner meeting to hear reports on the grand nest meeting from E. W. Trenbath, who was elevated to grand supervisor, and others. Seattle pond is planning to be host to the 1949 grand nest meeting.

Thursday evening of this week the ladies auxiliary is sponsoring a theater party for members and wives.

Jim Davies, golf chairman, announced Seattle has captured the A. Z. DeLong cup, having bested British Columbia pond in the traditional home-and-home series. Commencing Oct. 31, Seattle pond members will hold a monthly medal handicap tournament, with matches to be played at various clubs around Seattle.

Wash. Group Hears Parks

E. W. Parks, head of the licensing division of the Washington department, spoke on new licensing regulations under the revised code at a luncheon meeting of Washington Fire Underwriters Assn.

Lewis Appointed by Home

SALT LAKE CITY—Alan M. Lewis, underwriter for Home, has been appointed special agent in the intermountain area, associated with State Agent Alfred R. Busch.

N. J. Special Agents Meet

New Jersey Special Agents Association, will hold a luncheon meeting at Newark Nov. 3. P. M. Winchester, general manager of the eastern department of General Adjustment Bureau, will speak.

A Thanksgiving dance and party will be held at Orange Nov. 18.

Trenbath Speaks at Salt Lake

SALT LAKE CITY—E. W. Trenbath, Seattle, state agent for Norwich Union, recently elected grand supervisor of the Blue Goose, grand nest, was guest of the Utah-Idaho pond at a banquet. About 75 ganders and their ladies attended. Mr. Trenbath reviewed the Miami Beach grand nest meeting.

The Minnesota Blue Goose viewed a hunting film at the Oct. 27 luncheon at Minneapolis. On Nov. 28 it will have a dance and dinner and movies of the Minnesota football games.

Ray Harrison, secretary of the Des Moines club of Alcoholics Anonymous, told the Iowa Blue Goose about the work of his organization.

FCIC Reinsurance Plea

At the request of Federal Crop Insurance Corp., Stock Company Assn. has notified its members that FCIC desires to discuss the possibility of making reinsurance contracts in the all-risks crop insurance field with individual commercial insurers. The letter also points out that FCIC is authorized to reinsure

private companies in an endeavor to encourage such insurers to enter the crop field. Reinsurance of private companies will be limited to contracts covering farms in not exceeding 20 counties selected by FCIC directors.

National Board Names New Advertising Agency

Appointment of J. M. Mathes, Inc., as the advertising agency for the National Board is announced.

Selection of the agency ends a several months' study by an advisory committee of advertising managers drawn from the National Board's member companies. MacFarland, Aveyard & Co. has been the National Board's advertising agency for several years.

New Hartford Club Officers

HARTFORD—Newly elected officers of the Two Hartfords Men's Club are Robert Swanson, president; Woodford Bidwell, vice-president; Andrew Sturm, secretary; William Reid, treasurer.

The Insurance Women of St. Louis will meet Nov. 4. Judge Michael J. Scott of the St. Louis juvenile court will speak.

Storm Claimants Are Belligerent

Adjustment of hurricane losses in southeast Florida is beset with many difficulties. Many claimants are displaying temper because of the \$100 deductible clause and because damage done by high water and rain is excluded, and also because of what they regard as slow handling of claims. Considerable bitterness on the part of the public toward the insurance companies is evident. One woman at Fort Lauderdale berated her agent because the adjuster allowed only slightly more than \$100 for repairs to the roof of her house and nothing for the damage done to the interior by rain driven through the windows. She maintained that it was the wind that caused the water to seep through the windows and, therefore, she should be covered. She threatened the agent with the loss of her business unless he compelled the adjuster to make a settlement satisfactory to her which meant a general refurbishment of her house. Such incidents have been multiplied many times and in varying degrees and it places the agent in an awkward position.

The claimants are impatient, for one

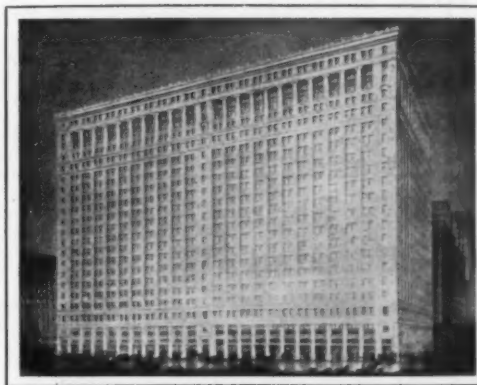
thing, because of the fear that damage done to this area may discourage northern visitors this winter and property owners are anxious to make repairs before the season starts.

The exclusion of damage done by rain and high water is causing much tension in policyholder relations. An example is a \$90,000 house completed shortly before the hurricane which was entirely washed away. Insurance recovery was negligible and the owner has made all sorts of threats against the insurer.

Much of the trouble could have been avoided, it is believed, if assured had been compelled to read their policies and had carried sufficient insurance to repay them for the insurable damage.

Adjustments have to be made slowly because often it is necessary to determine just what actual damage was done by the hurricane and what was the result of natural deterioration, as a great percentage of the public still labors under the belief that the insurance companies are made of money.

The second, two weeks after the first one, caused most of the high water which in turn did a tremendous amount of damage and assured are dismayed that their insurance does not cover this hazard.



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Medical Pay With O.L.&T. Is Easy Sale, Many Agents Find

Agents who have made an effort to sell medical payments insurance that was recently authorized for use in connection with O.L.&T. and elevator liability insurance, say that their batting average is 90% or better. Companies find that the business is spotty; they get a lot of it from certain agencies and none from others. This indicates that the agents who are putting on a campaign to bring it to the attention of their customers are getting excellent results, but that many agents have not put any licks in on it at all.

Some offices are attaching the endorsement automatically to all renewals and that seems to be the most effective approach. Those that simply enclose a notice stating that this new coverage is available, are not getting as productive results.

The more effective method seems to be to attach the endorsement and notify the assured that he can have the coverage eliminated if he desires, rather than to leave it off and advise him that he can have it added.

One agent had an experience the other day that set him to canvassing all of his assured in short order for this new application of medical payments coverage. In the revolving door of a department store on which this agent had the insurance, an elderly man was knocked down when some youngsters gave the door a yo heave ho.

Hip Was Broken

The man was taken to a doctor's office upstairs. The doctor called the head of the store in a short time, reporting that the man seemed to have a broken hip, and wanting to know whether he should be removed to a hospital. The store manager asked who was going to pay for it and the doctor said

that is what he would like to know. The store manager then got in touch with the local agent and asked him whether he was covered. The agent said that the insurance company would pay if the store was liable.

"Well, am I liable?" the assured asked. "I can't say," the agent replied, "it may take 12 men to decide that. If you had medical payments insurance, the company would pay the medical and hospital costs, regardless of your liability."

"Have I got that?" the manager asked. When the agent replied in the negative, the manager wanted to know why he was not so covered. The agent explained that the insurance had been out only for about two months and the manager at that point ordered the medical payments insurance added instant.

there is the one legal rate for fire insurance. If there are deviations, those have to be on file and approved. The department has the responsibility of seeing that the legal rate is charged.

Routinely most agencies and brokerage houses try to write policies well in advance of expiration. One reason is to keep the business away from competitors. Also, now that business is hard to place, the producer wants to learn early whether his company is going to take a risk. If not, it takes time to place it elsewhere.

Of course what Mr. Martineau is looking for are deliberate attempts to avoid the new rate by cancelling and re-writing for that and not for other purposes. The burden on companies is severe, however, because many are still short-handed and are having difficulty keeping up with the demands of the bull market in insurance. The dailies involved are scattered from accounting to dead files.

N. Y. Probes Rate Chiseling

The New York department has called upon insurers to furnish information regarding policies with inception dates in May or June of this year, which were written at rates lower than those promulgated to be effective May 5 and which were not issued prior to May 5. The same information is requested on endorsements increasing amounts or extending terms of insurance.

This request has aroused expressions of objection on the part of the industry on the score of the cost of compliance. William J. Reynolds, chairman of Corroon & Reynolds, estimated that the cost to New York City insurers of making this search would be \$100,000. He said his office alone would have to hunt through 20,000 policies at a cost of \$7,000.

The inquiry of the New York department into whether the fire rate increase in New York earlier this year was violated represents a precedent. No general fire rate increase has been filed under the present New York law, only decreases.

The problem on policies written at a rate other than the increased rate, after the increase became effective, is not so difficult in suburban and upstate territory since any rate divergence is picked up by the stamping office and inquiry is made by New York Fire Insurance Rating Organization as to the reason therefore. Difficulty arises in New York City where policies are not stamped. To respond to the department request will require a check of all business written by each individual company.

Deputy Superintendent Martineau has indicated that he cannot tell whether the law was violated without records of policies that were not written at the legal rate. The law prescribes that

Mutuals Revise Rating Setup

The new corporate charter of American Mutual Alliance, Chicago, has been filed in the Cook county recorders office, Chicago. The charter was granted the Illinois secretary of state, under the general not for profit corporation act.

The alliance has 102 member companies. Its member companies write approximately 40% of the fire insurance and approximately 60% of the casualty insurance written by mutual companies in this country.

Under its new charter the alliance will have no function in connection with the making of rates, nor in connection with the statistical work involved in insurance rate-making. As a matter of fact the alliance has not engaged extensively in rate making activities, although its old charter gave it the right to do so.

Representatives of alliance companies are meeting at Chicago this week to discuss several proposals, including one to set up a national statistical organization. Such an organization would probably have headquarters at New York.

Mariners Meet Nov. 4

The Mariners, organization of Chicago marine insurance men, will meet for dinner on Nov. 4 at the Illinois Athletic Club to hear George Arbogast, a jeweler, discuss conditions in his business.

Born Visits Oklahoma

E. H. Born, secretary Western Underwriters Assn., who is visiting some state field organization every Monday, spent this week in Oklahoma City conferring with the Oklahoma Fire Underwriters Assn.



A Proved Plan For Getting Leads To Life Insurance Prospects

One in five of your own clients will buy life insurance within the next year. The Connecticut Mutual offers you a direct mail plan which consistently secures replies—leads to new business—from 15-20% of the people to whom the letters are sent.

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FREE Booklet Tells How

Connecticut Mutual, which has worked with thousands of fire and casualty agents and brokers for years, has published a new booklet for general insurance men entitled, "A Tested Method for Securing Life Insurance Commissions." It outlines the mail advertising plan in which ten different letters are available for various types of people, and shows you how to prepare your list. On each of the principal types of prospects there is a sales promotion kit that tells you what to offer and what to say about it.

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NU-5

Mutual Agents Told Reasons for Company Troubles

Capable resumés of why fire and casualty companies find themselves in such difficult straits were offered by John A. Arnold, vice-president National Retailers Mutual, and Ray J. Mills, president Iowa Mutual Liability, in their talks before the National Assn. of Mutual Insurance Agents at Cleveland.

Mr. Arnold recited a large number of contributing causes to the fire companies' predicament. He said he would try not to overstate the fire insurance problems, but added that the business is in the shadow of eclipse, from which no hurried removal can be expected.

Starting with automobile rates and losses, Mr. Arnold ran through a number of lines that are causing trouble. Among them were aircraft, whose rates he characterized as in a state of flux; extended coverage rates and losses, now under the microscope in some territories. The sales and loss possibilities on this form were undreamed of when it was introduced, he said, and it has in some areas become a means of roof maintenance.

Personal property floater experience justifies rate inspection, and Mr. Arnold recommended that agents screw up their courage and refuse to sell unless prospects will take insurance to value. He also recommended that agents insist upon deductible whenever possible.

Fire Rate Decrease Decried

He commented that fire rate decreases are unfortunate in view of recent heavy losses. Only a few states have taken action on increases and he asked the agents to carry the story of losses to their customers as a prelude to higher rates in their territories. Rates of the future will be the penalty of present bad practices, he declared.

The high discounts of 16 2/3 to 20% on term business are disproportionate at the present low interest rates, Mr. Arnold stated. Term, which is about one-half of the fire business, constitutes a drain on surplus which has become alarming. He advocated a reduction in the discount until the present underwriting situation is alleviated.

Premiums have increased more from an increase in values than from new business, he remarked, adding that losses have kept pace equally. Moral hazard is not yet apparent, but many firms which got their start in the war have not been tested in the crucible of arson

vs. bankruptcy.

Mr. Arnold declared that loss prevention is truly the most important job for which the agent can be responsible and he commended the program committee which devoted an entire day to that subject.

Companies may be partly to blame for their own troubles in that they have had a tendency to pay claims outside of coverages and have used adjusters too indiscriminately. Also, they have sometimes accepted improperly qualified business.

To add to these woes are the problems arising from public law 15. Companies have a great deal of work to do in their home offices in order to meet the new state laws.

Mr. Mills voiced emphatic disagreement with the statement that there is an obligation on the part of companies to provide insurance for all who wish it or face state or government insurance plans. He asserted there is an obligation upon companies to provide for the insurable risk who is willing to pay an adequate rate, but added that such risks are not causing any trouble. Placement difficulties come from insured who bought their coverage at cut rate or on some orthodox basis and still look for those advantages. Further, there are many fleet and individual automobile risks that companies are rejecting for good reason.

Agents Have Important Job

Agents have their work cut out for them in helping maintain strict enforcement in operation of financial responsibility laws. Mr. Mills said that the agent can influence public opinion to the end that incompetent and drunken drivers will be kept off the road. If one of these drivers asks for insurance, the agent should tell him why he is not eligible instead of trying to get some company to issue a policy. He urged that the public be made safety-minded first and insurance-minded second.

Mr. Mills suggested that agents think more of better company relationship. The very nature of association between company and agent requires cooperation, he said, remarking that sometimes the agent is apt to take to heart the reference to him by his customer as "my agent," when actually laws governing appointment establish the agent as an agent of the company. When an agent drifts away from this relationship and sets himself up as the agent of the assured in opposition to his company, that position, whether he carries his point or not, results eventually in no benefit to himself, his assured, nor his company. Mr. Mills emphasized that although the company personnel is sub-

ject to errors of judgment, etc., once the facts are established, the decision of the company should be the decision of the agent.

He asserted that there is no need for agents or companies to become panicky; those companies that have followed a conservative and sensible program are experiencing very little difficulty, and are following a reasoned plan of underwriting and using common sense in their relations with agents. They are continuing to accept good business and have the confidence of their agents because the agent knows he is being protected.

Many agents have a watchful eye on management during this period, Mr. Mills remarked, and will judge management in the future on the basis of its soundness during these abnormal times.

Cahill Briets Chicagoans on New Rating Setup

James M. Cahill, secretary of National Bureau of Casualty Underwriters, had a crowded day at Chicago last Friday during his visit there in connection with completing arrangements for complying with the new Illinois rating laws and advising Chicagoans of what is in prospect.

In the morning Mr. Cahill, together with a committee of Chicago casualty managers, had a session with Insurance Director Parkinson and other departmental personnel. Then there was a luncheon of Casualty Managers Assn. of Chicago over which D. K. Weiser, manager of Aetna Casualty, presided. Mr. Cahill at that time told some of the arrangements that will prevail in Illinois under rate regulation. Mr. Parkinson, C. M. Kinney and L. T. Coddington of the insurance department attended, as did Peter Malah, Chicago manager of National Bureau.

That afternoon there was a meeting in the Chicago Board auditorium primarily for general agents. Mr. Cahill was introduced by Mr. Weiser, and L. P. Warren of Associated Agencies, president of the Chicago Board, occupied a place on the rostrum.

Illinois Prospects Outlined

Mr. Cahill again outlined what could be expected in Illinois. He said that at the outset it is not expected that there will be changes in the existing manuals except that the rules section of the automobile manual will be rewritten. This was due anyway.

He stated that the National Bureau will be the rating agency for its member companies and subscribers in connection with compensation insurance, and that the National Council on Compensation Insurance will not be licensed there.

In answer to a question he said that business actually written prior to Dec. 31 for attachment in January and February may be arranged under the old setup, but any business written after Jan. 1 must be in conformity with the rate regulatory procedure.

He referred to the fact that just recently National Automobile Underwriters Assn. has divested itself of jurisdiction over auto P.D. and hence many fire companies will become subscribers of the National Bureau for such lines. He said also that many independent companies will become bureau subscribers.

Mr. Cahill said that plan D has not yet been made effective in any jurisdiction.

H. T. Lewis Sees Even Greater Use of U. & O. Cover

NEW YORK — "Use and occupancy insurance has come into its own and should no longer be considered as a side line by the buyer or the agent," H. T. Lewis, executive regional manager of Royal-Liverpool, told 75 insurance buyers at the October meeting of Risk Research Institute here. He predicted that

U. & O. would be carried by a majority of assured when agents and buyers become more thoroughly conversant with its value.

He advised buyers to use the calculator furnished by insurers to assist them in computing the amount of U. & O. coverage they should carry and stressed frequent check of the amount of coverage. In keeping insurance up to value he recommended that the buyers study the premium adjustment forms which, though not available in all states, are of great assistance in determining whether sufficient insurance is carried. He pointed out that the form requires 100% coinsurance in some states but said that the new western form permits as little as 50% coinsurance. He believes that the midwest form can be adapted for use in the east, provided it gives satisfactory experience.

During a question and answer forum Mr. Lewis told of a U. & O. form which is available in Canada that covers a concern during its business build-up period after a shut-down of several months.

Firemen's Financing Details

The cumulative preferred stock which Firemen's proposes to issue will have a dividend rate of not less than \$3.75 nor more than \$4 per share, according to present intentions. The price at which the company may redeem the stock will be not more than \$4 per share in excess of the initial issue price during the first few years the shares are outstanding with periodic reduction thereafter.

The company will be required to retire in each year by redemption, at the initial price, 5% of the number of shares of the initial series with the privilege of retiring a limited number of additional shares at the same price.

The plan calls for authorizing 100,000 shares of such preferred stock and an initial series of from 60,000 to 75,000 shares will be issued as soon as practicable. The initial series, it is proposed, will be sold privately to a limited number of institutional investors, the price expected to be \$100 per share.

Additionally, it is proposed to issue 120,462 additional shares of presently authorized common stock. This would bring the amount outstanding to 2 million shares. The par value of the preferred stock is \$50. The par value of the common is \$5 and the stock has been quoted recently in the range of 12 bid and 13 asked.

W.I.B. Semi-Annual Nov. 18

The semi-annual meeting of Western Insurance Bureau will be held at the Hotel La Salle, Chicago, Nov. 18.

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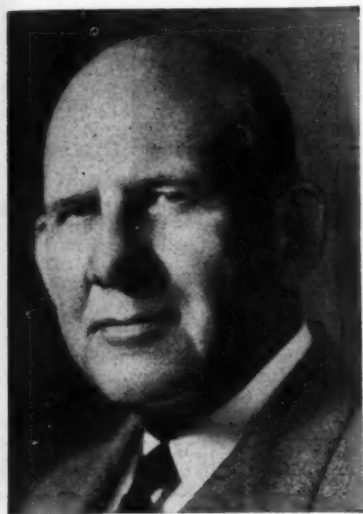
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Brainerd Hartford Steam Boiler Head

Lyman B. Brainerd has been elected president of Hartford Steam Boiler. He succeeds Curtiss C. Gardiner, who has now become chairman. Mr. Gardiner has been in ill health.

At the same time Fred S. Campbell has been elected vice-president in charge of the agency department.

Mr. Brainerd joined the company in 1930, serving in the underwriting and



CURTISS C. GARDINER

claims departments prior to becoming special agent. He was superintendent of agencies when, in 1942, he was elected a director and later that year he was made a vice-president. He is a director of Boiler Inspection & Insurance of Canada and a trustee of the Hartford College of Insurance.

Mr. Campbell is a native of Nebraska and a graduate of the engineering courses of University of Nebraska. He had had considerable experience in the sales of industrial electrical equipment before he joined the company in 1932 as special agent in Chicago. In 1944 he became manager at Pittsburgh and later that year was made manager at Philadelphia. In 1946 he was placed in charge at New York.

Full Card for Agricultural Committee Is in the Mails

The full agenda for the annual meeting of the agricultural section of the National Fire Waste Council, Nov. 5 in the Palmer House, Chicago, has been sent to committee members. Principal subjects for consideration are: Approval of the new manual, "Rural Fire Prevention & Protection Through Chambers of Commerce;" a plan of cooperation between chambers of commerce and volunteer firemen's associations; public support on fire prevention from farm publications, and a motion picture on fire waste.

Among the committee reports will be those of Professor Henry Giese of Iowa State College on agricultural engineers;



T. Alfred Fleming of the National Board, on fire prevention week; Harry P. Cooper, secretary National Assn. of Mutual Insurance Companies, on the mutuals farm program; Percy Bugbee, National Fire Protection Assn., on the President's fire prevention conference; Richard E. Vernor, fire prevention manager Western Actuarial Bureau, on inspections; G. C. Cundiff, president Farm Underwriters Assn., on stock company activities.

Approximately 100 members and guests are expected at the meeting.

N. Y. Legislature Inquiry on Rate Regulation Slated

The New York state joint legislative committee on insurance rates and regulation will conduct its first hearing Nov. 13-14 in the hearing rooms of the New York City Bar Assn. Senator Mahoney of Buffalo, chairman, said the session will discuss regulation of rate making as the first phase of its program of fact-finding.

The material will be gathered for an unbiased report to the legislature on the status of state insurance regulation in comparison with federal anti-trust controls for the industry. Superintendent Dineen of New York will be the first witness on methods for determining insurance rates employed by the department and companies. Other witnesses will include several insurance executives invited to explain procedures used by their companies in setting rates.

The committee will present for discussion a bill proposed by the department to amend certain regulatory measures now in effect and to create new forms of control in the industry. This doesn't mean the committee sponsors or sanctions the bill, Sen. Mahoney said. The purpose is to gather facts from the department and companies which ultimately will be used in drafting recommendations to the legislature.

The committee is neither witch hunting or whitewashing conditions it may discover in the insurance industry; nor does it necessarily desire to suggest stringent state controls for the industry to the detriment of free enterprise, Mahoney stated.

The committee in subsequent hearings will inquire into possible monopolistic practices and restraint of trade in the industry, Mahoney said.

Bennett Gives Views on Commission Negotiation

Because the subject of whether National Assn. of Insurance Agents should take a position on commissions arose at the convention at Atlantic City, Walter H. Bennett, general counsel of the association, has issued a statement discussing whether federal anti-trust statutes would apply. Is it legal for an association of agents among themselves to agree to negotiate a reasonable and adequate commission compensation or to agree between themselves and a group of insurance companies with reference to such commissions? Would such agreements constitute price-fixing?

Mr. Bennett concludes that an agreement among agents as to commissions desired cannot be in violation of federal statutes, but there might be boycott, coercion or intimidation involved in any subsequent attempt to make such an agreement effective on company management.

However, fixing of a part of the price, namely, the commission part, is not and could not be a price-fixing agreement for the reason that the agents, either acting for themselves or the agents and companies acting jointly, are wholly without power to implement any such agreement in the price structure for insurance, Mr. Bennett states. This price-fixing power with relation to insurance rates rests elsewhere than in either companies or agents. Consequently, he concludes, such agreements among agents themselves and between agents' groups and the companies are not illegal.

Reports Arizona Membership at 90% of Possible

In his presidential report to the Arizona Assn. of Insurance Agents Kenneth L. Nehring, Tucson, said that the membership had gained substantially to include 122 agency members and 80 associate members, roughly 90% of the qualified agencies in the state. To this strong organization, he gave credit for passage of adequate legislation in the state. He reported that the executive committee recommendation that an executive secretary be hired would have to be shelved temporarily unless each member is willing to pledge his share to meet the expense, which would require \$300 for each member at pro-rata, at least a 200% increase.

He reported that Arizona continues to be active in accident prevention, promoting driver training and safety education and that 4,000 certificates have been awarded to high school drivers who have completed standard tests and courses. He said that the association was readying itself to take a stand on the financial responsibility law, cooperatives, revision of agents qualification laws, compulsory disability insurance and fair trade practices.

Fla. Company Ups Capital

American Fire & Casualty is increasing its capital-surplus funds to the tune of \$300,000 through the sale of 12,500 shares of \$10 par value stock at \$24 per share. Capital will be increased from \$250,000 to \$375,000. The issue is being handled by Southeastern Securities Corp. of Jacksonville. In March, it is proposed to increase the capital further to \$750,000.

Premier Enters Michigan

Premier of California has become licensed in Michigan. This is a Giannini company that specializes in automobile finance business. In addition to carrying the insurance on cars financed by Giannini institutions, it is now offering facilities in some parts of the country for bank-financed automobiles.

Remler-Shuman Appointed

Girard Life has appointed as general agent in Meadville, Pa., the partnership of Remler-Shuman. F. H. Shuman is in charge of the life department. This is a general insurance agency.

Mr. Shuman is a graduate of Penn State and formed the partnership in 1933 with Helen E. Remler. He is secretary of Crawford County Mutual.

HIGHLIGHTS IN INSURANCE HISTORY Early Theatre Losses

In the century beginning with the burning of Rickett's Circus and Greenwich Street Theatre in 1799 and ending with the burning of the Metropolitan Opera House in 1892, New York had 37 great theatrical fires. Because of these catastrophes, the Insurance industry helped to create more stringent theatre building and operating laws. By 1887 they had achieved such important provisions as: open courts or alleys on each side of a theatre; extra doors into the courts; outside iron stairways leading to galleries; proscenium-wall extending from foundation to and through roof, which with fire curtain made a fire-proof boundary; automatically opened skylights on stage roof; on each floor fire extinguishers and hose connected with roof tank; floors and partitions constructed of iron and masonry; diagrams of each floor printed on programs; regular uniformed fireman detailed to each performance.

The National Union and Birmingham Companies believe that "Prevention" will go on being the most important word in the Fire Insurance industry, and that no single company can go too far in accenting this capital-letter word.

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55 FIFTH AVE., NEW YORK

Bailee Coverage Poses Many Unsolved Problems

NEW YORK—Probably no class of insurance imposes so great a demand on the knowledge, ability, and resourcefulness of the broker, underwriter, and adjuster as the bailee group. Bert Cotton of the New York law firm of Rein, Mound & Cotton, said at a meeting of the alumni of the Bernard G. Werbel Institute here. The complexity of the problem is increased by questions of the assured's own liability to customers, the right of third parties sometimes to bring direct suit on the bailee's policy, the conflict between insurance of owners and that of the bailee that results from the clash of the excess clauses in each, and the operation of certain inter-company agreements which sometimes require a distribution of the loss among the various insurers which differs from that called for under applicable court decisions.

Limited Coverage Is Exception

Although a policy covering only the bailee's legal liability will ordinarily suffice to protect him from personal loss, such limited coverage is the exception, according to Mr. Cotton, because bailees generally carry a policy covering the merchandise itself for the benefit of the owner or customer.

Attachment to a standard fire policy of the so called "trust and commission" clause, in the form which does not restrict coverage to the assured's legal liability for the property of others, puts the fire underwriters in the bailee business as well, he said. The open stock burglary policy also creates a bailee coverage when it insures property located at specified premises whether or not it is owned by assured, Mr. Cotton observed.

Danger in Inadequate Amount

A broker who applies for a legal liability form in a small amount because customers of assured have their own insurance is subject to a legal pitfall, the lawyer said, because he completely overlooks the fact that a loss may be occasioned by assured's own negligence, creating liability to customers or their insurers in subrogation which would in no way be diminished because of insurance carried by the customers. The underwriter who issues a liability policy to a processor on the assumption that he is assuming the very limited risk of a loss occasioned by negligence may be rudely awakened after a loss to find that his assured has written letters, signed contracts or advertised publicity that he assumes full responsibility for all losses to merchandise in his possession. Thus a policy originally regarded as limited in hazard has been transformed into absolute insurance on all merchandise in assured's possession regardless of the cause of loss.

If brokers sell assured insufficient liability cover, they must curb assured's desire to make public announcement that insurance is carried, he suggested. Any statement by a bailee on signs in his establishment, on advertising literature, or on receipts issued to customers, that merchandise is insured, or that insurance

is carried, is fraught with the danger that liability will be imposed either for breach of contract or for misrepresentation, since insurance of the bailee's liability is hardly the equivalent of property insurance for his benefit the customer has the right to expect when he is told that insurance exists.

Even where a liability form may be adequate in scope and amount to protect the assured, he may nevertheless discover after a loss that the benefits extended are not quite what he thought them to be. Standard procedure for the adjustment of a loss under this type of coverage does not materially differ from the practice employed in the handling of third party liability claims under casualty policies. It may come as a shock to assured when the adjuster expresses a lack of conviction as to the bailee's negligence or as to the propriety of the amount claimed, and announces that the customer proposes to sue the assured and that the company plans to defend the action.

Public Doesn't Understand

The distinction between liability coverage and property coverage is never quite clear to the layman and assured may have been proceeding on the assumption that his customers would be paid for all loss of goods in his possession. His protest that he bought insurance for the purpose of paying customers and maintaining good will rather than for litigation will be unavailing. A more complete explanation to assured when the policy is discussed, of the difference between liability and property insurance, no doubt would elicit an emphatic rejection of the liability form.

Not infrequently underwriters and adjusters lapse into the error of treating losses under property bailee forms as if they were insuring legal liability. This misconception is common where the bailee's receipt contains a declaration of value or a limitation of liability. In such a case the insurer more often than not will insist upon limiting its payment to the declared value or the stated amount of the bailee's liability without regard to the fact that the policy under which the customer is entitled to a direct payment as a pseudo-assured extends full insurance for actual cash value and contains no provision making its liability coextensive with that of the bailee-assured or with any valuation which may be declared on his receipt.

In the majority of cases losses are adjusted with third party claimants on this basis because the customer and his attorney don't know they possess a claim under the bailee's policy, but instead proceed on the assumption that the only right they can enforce is that against the bailee himself. In many cases the offered limited adjustment is rejected by the customer or his attorney on general principles, and then the suit fails because the bailee was under no liability since the loss resulted from fire, burglary or other catastrophe, without assured's negligence. An attorney familiar with insurance practices would not have acted

against the bailee but sued directly on the policy and recovered in full.

An important exception to the general rule that bailee policies in the property form do not limit their liability in accordance with the value stated in assured's receipt is the furriers' customers form, Mr. Cotton told the group. That policy is firmly tied to the assured's receipt. Furriers often expose themselves to great danger in the devices they employ on issuing receipts to customers who carry their own insurance and desire to avoid paying the extra premium for coverage under the furriers' customers policy. In the valuation column on the face of the receipt the furrier will write a legend such as, "Do Not Insure" or "Has Own Insurance," or will leave the valuation column blank or insert the word "nil" or "none." The garment covered by such a receipt is not reported for premium purposes and is entirely excluded from the protection.

In such a case some ill considered language in the printed portion of the receipt may constitute an assumption of personal liability on the part of the furrier and, needless to say, a negligent loss would create direct responsibility even in the absence of any assumption of responsibility. The furrier will be forced to pay a judgment procured by his customer's insurer in subrogation without any recourse against his furriers' customers policy, all because of the mistaken assumption that since his customer carried her own insurance there was no necessity for placing the garment under the bailee policy.

WANT ADS

OFFICE MANAGER

Branch office doing over-the-counter fire and casualty business wants office manager to organize employees, promote efficient operation, and take complete charge of running the mechanical end of the office. Man capable of analyzing and streamlining; one with accounting experience preferred. State age, experience and salary expected. Our employees know about this ad. Address N-72, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Experienced Adjuster, under 40 years of age, who has had at least 5 years experience and not addicted to liquor, for Rocky Mountain States. Please furnish references with application. This is Branch Office position. Address N-59, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

TEXAS STATE AGENT POSITION WANTED by Dallas man with strong fire and casualty stock company. Experienced all lines. Have nice following among stock company agents. Experienced agency work, personnel, underwriting and losses. A-1 references furnished. Presently employed agency work. Can start now or after January 1st. Address N-76, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Technical High School graduate desired by large insurance brokerage firm to start as apprentice in our Fire Engineering Dept. Excellent opportunity for right type. State age and qualifications. Address N-70, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Several Nice Light Office Suites
From 400 to 1800 Square Feet
At Extremely Reasonable Rentals

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Insurance adjuster, experienced, member of the Bar, available for Baltimore territory. Address N-75, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Illinois trio at N. A. I. A. convention—W. W. Hamilton, manager Chicago Board and Illinois Assn. of Insurance Agents; Mrs. L. L. Herring, secretary of the two groups; Lyman Drake, Jr., Chicago, executive vice-president Illinois Association.



October 30, 1947
Variety
Buyers

The progress of the Assn. at announced Nov. 18, 1947, Decatur, Ill. markets for the members of the Assn. president, New York, Frank A. Foreman, Jr., Tuesday, Nov. 18, 1947, Westinghouse, The Ins. panel of experts, vice-president, Felt, president, assistant director, Liverpool, Marine, Walter R. department, alty; and burg, tual. Nov. 1, insurance Co., Chic. What S. spect from H. Schin, partment, Co. The Ed. Insurance president, Buffalo. The P. insurance, ager, Sch. York. 12:30 American siding. Your In. Bowen, University 2:15 p. dent, Int. cago, curetment mond D. National plans, M. group an the comp

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Varied Program for Buyers at Chicago

The program for the insurance conference of the American Management Assn. at Chicago Nov. 18-19 has been announced as follows:

Nov. 18, 10 a.m.—R. S. Bass, treasurer, A. E. Staley Manufacturing Co., Decatur, Ill., chairman. Are insurance markets keeping pace with the requirements of American business? The buyers problem: Frank B. Flahive, vice-president, Columbia Engineering Corp., New York; the company viewpoint: Frank A. Christensen, president, America Fore group.

Tuesday afternoon — Harry L. Hubbell, real estate and insurance director, Westinghouse Electric, chairman.

The Insurance Coverage of the Erwhon Manufacturing Company. The panel of experts will include F. V. Rudd, vice-president, Marsh & McLennan, Detroit; Felix Hargrett, assistant vice-president, Home; E. H. Kingsbury, assistant director of education, Royal-Liverpool; R. D. Sullivan, manager, Marine Office of America, Chicago; Walter R. White, boiler & machinery department, Lumbermens Mutual Casualty; and Elliott T. Rogers, bonding and burglary supervisor, Liberty Mutual.

Nov. 19, 9:30 a.m. — H. K. Lane, insurance manager, Marshall Field & Co., Chicago, chairman.

What Service Should the Buyer Expect from his Insurance Broker? Paul H. Schindler, manager, insurance department, Youngstown Sheet & Tube Co.

The Effect of Accident Prevention on Insurance Costs, John W. Culkin, vice-president, Gurney Overturf & Becker, Buffalo.

The Pitfalls and Possibilities of Self-insurance, Peter Drake, insurance manager, Schenley Distillers Corp., New York.

12:30 — Alvin E. Dodd, president, American Management Association, presiding. The Business Outlook and Your Insurance Program, Howard R. Bowen, dean, College of Commerce, University of Illinois.

2:15 p.m.—Ivan L. Willis, vice-president, International Harvester Co., Chicago, current thinking on employee retirement plans. Trusteed plans, Esmond D. Gardner, vice-president, Chase National Bank, New York; insured plans, Maurice F. Lipton, director, group annuities, Equitable Society, and the company, Mr. Willis.

Record Turnout at Arizona Annual Meeting

TUCSON—The annual convention of Arizona Assn. of Insurance Agents was attended by the largest delegation in history, 275 being on hand. Executive committee sessions were held Oct. 25 and 26 at which National Bureau of Casualty Underwriters, represented by Rollo Fay, and Pacific Fire Rating Bureau, represented by Samuel Carpenter, Jr., outlined procedures for rate filing for their organizations under Arizona rate regulatory laws. The committee also met with the Arizona corporation commission to discuss a change in the examining board to include two additional members.

The convention was opened Monday

**Insurance Advisers, Consultants
Managers, Engineers**
BELT and RICKER
330 So. Wells St. Chicago

noon with President Kenneth L. Nehring presiding.

The convention was addressed by R. L. Ellis, vice-president of Firemen's Fund on "Capacity" and William P. Welsh, president of N.A.I.A., gave a message.

Association activity was recommended by the convention in action toward certain changes in compensation laws. Also, appointment of a committee to pursue fire and accident prevention in cooperation with N.A.I.A.

New officers elected are: Mr. Nehring, Tucson, national director; Paul H. Jones, Tucson, retiring secretary, president; Ernest E. Suggs, Phoenix, vice-president; Russell Sweitzer, Flagstaff, secretary.

Globe was selected for the mid-year meeting and Phoenix for the annual convention.

The general convention was addressed by Mr. Fay, Mr. Carpenter and Harry Nason, secretary America Fore, and Conde Withers of Arizona Equitable Rating Office. W. E. Clapp, Tucson, gave an address on "Agency Management."

The convention closed with a cocktail party and dinner dance on Tuesday.

N. A. I. A. 1926 President Dies

Frank L. Gardner, 71, a vice-president of United States Fire, died at his home at



FRANK L. GARDNER

Poughkeepsie. He was president of the Vail & Sutton agency there.

He was elected president of National Assn. of Insurance Agents in 1926 and served one term. His son Frank is assistant secretary of the agency.

Dana G. Lowd New Mass. President

SPRINGFIELD, MASS.—At the annual meeting here of the Massachusetts Assn. of Insurance Agents, Dana J. Lowd, Northampton was elected president, succeeding L. R. Mongeau of Lowell. Vice-president, Arthur B. Fair, Natick; state national director, Harold D. Barnes, Pittsfield.

New regional vice-presidents are Magnus A. Carlberg, Gardner; Robert G. Dowling, Hyannis; George D. Mirick, Shelburne Falls; G. Frank Lord, St. Barrington; Charles D. Phelan, New Bedford; Frederick H. Woodward, Lynn.

Regional vice-presidents reelected: Walter S. Attridge, Boston; Phillips F. Brooks, Haverhill; Russell D. Chase, Springfield; Franklin J. Connors, Boston; Robert M. Goss, Holyoke; Francis R. A. McGlynn, Worcester; Leo R. Mongeau, Lowell; Graham Smith, Brockton; Paul J. Woodcome, Fitchburg.

Asks Commission Body

At the annual dinner of General Brokers' Assn. in New York, President George F. Sullivan urged that a group of agents, brokers, and company men be formed to solve the problem of regulating commissions when the public law 15 moratorium expires next June. In his address he discussed the necessity of everyone in the business cooperating to solve the marketing problem.

At the dinner William Leslie, general manager of National Bureau of Casualty Underwriters, was awarded the association's annual gold medal for meritorious insurance service during the year.

Rename Library Officers

BOSTON—At the annual meeting of the Insurance Library Association of Boston, all officers were reelected. Ralph G. Hinkley, American, president; Walter C. Small, Royal and Eagle Indemnity, vice-president; Kenneth H. Ers-

kine, Anglo-American Underwriters Agency, treasurer and Abbie G. Glover, secretary and assistant treasurer.

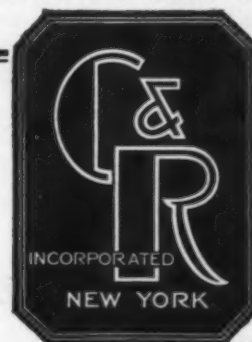
Hussey New "Ad" Head

NEW YORK—Ambrose W. Hussey, formerly advertising and sales representative for Dun & Bradstreet, has been appointed advertising manager of "American Agency Bulletin." He succeeds Ronald Jarvis, Jr., who has joined the "Spectator."

Mr. Hussey was taken prisoner by the Germans when he bailed out from his disabled plane. Prior to the war he was with the advertising firm of Donahue & Co. He attended New York University and Columbia.

Alamo Casualty of San Antonio has been admitted into Oklahoma to write all automobile lines.

Kenneth E. Egger of Barnesville has purchased the Law agency, Bethesda, O. Joseph L. Ray, son of one of the partners, is joining the Ray & Carpenter agency, Mt. Sterling, O.



American Equitable Assurance Company of New York

Organized 1918

Globe & Republic Insurance Company of America

Established 1862

Merchants and Manufacturers Insurance Company of

New York

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Incorporated 1832



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Losses paid exceed Three Hundred Fifty Million Dollars

QUEEN CITY FIRE INSURANCE COMPANY

SIOUX FALLS

D. P. LEMEN, President

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Forty-two years of service

1947

EDITORIAL COMMENT

Challenge Should Be Met

The present controversy over agency commissions in the fire insurance field, particularly, is causing much apprehension and concern, especially from agents and yet the outcome may be very beneficial. The cost of conducting an agency has increased, it should be acknowledged. However, we must admit that there have been many superfluities that should be eliminated.

There are too many companies paying excess commissions. Excess commissions simply breed incompetent agents and brokers that would not otherwise be enticed to enter the business. Companies have spent too much for entertainment and gifts, and have attempted to buy agency favor. This is costly. Agents themselves seem to have lost sight of the fact that all this excess baggage is hurting them. There has not been the consideration of the cost of insurance to the public that there should have been.

Premium payers should pay what insurance is worth. They should not,

however, be loaded with the higher cost of getting business where that cost is not necessary. There should be a clearing out of all these excess factors. This is a good time for a housecleaning in every direction.

Agents should realize that they are responsible in a large measure for the situation in which they find themselves. Companies have encouraged it. The public is paying the cost. This is an injustice. There should be a common sense view of the situation. There is a reasonable commission cost, but there should be a limit, and it should not be crossed. Everyone can take a part in reducing what might be called the cost of buying agency favors. It is a question for both agents and companies to solve. They should all recognize the danger that is confronting the industry. The industry itself should settle this question, and not leave it to the outsider. They should meet the challenge that now has been presented.

Riding a Horse But Looking Backward

A remark was made by the general agent of a life company who was commenting on another company than his own that the president was riding horseback but his face was always turned backward. He said that he took cognizance of everything that he could see from the rear view but he failed to see what was ahead.

This observation might be taken to

heart by some who seem to lack vision and the faculty of being able to discern what is ahead. This requires a certain amount of imagination as well as keen sight. Executives who have developed the ability to see the troubles ahead before they are actually encountered have a decided advantage in adjusting themselves to meet and overcome obstacles that may be considerably far away.

London Lloyds Has Been A Great Help

Notwithstanding some of the prejudices against London Lloyds because its operations are different from those of regular companies, we must give credit to that great institution for being of immense help in taking care of large risks that could not find sufficient coverage in the United States. London Lloyds has been the big source for insurance when all other markets were closed. Its brokers have done their best

to meet the demands from the United States. The peculiarities of its operations have brought the thought to many minds that it is more or less of a gambling institution and this has created an unfriendly attitude.

The insurance markets in this country have been combed to the limits so that much property would be greatly underinsured if it had not been for the help of London Lloyds.

PERSONAL SIDE OF THE BUSINESS

Personnel of Aero Insurance Underwriters celebrated **Maj. G. L. Lloyd's** 20th anniversary with the organization. He was presented with several gifts and became the third member of "The Aero Twenty-Year Club."

W. F. Sweazea, former Chicago manager of North British & Mercantile, who retired and has been spending his time since in Missouri at his wife's old home, has been visiting in Chicago. Mr. and Mrs. Sweazea are now going to Califor-

nia and may decide to reside there permanently. The first thought was that they would go to Mrs. Sweazea's former abiding place in Missouri and live there, but it is likely that the California atmosphere will overpower them.

F. R. Baker of Auckland, general manager of New Zealand, has been a guest of Perrin C. Cothran of Phoenix of Hartford. He will return to Auckland in December after completing a world-wide inspection of New Zealand's branch offices.

Daniel J. Gallagher, auditor of Western Actuarial Bureau, Chicago, underwent an operation at St. Francis hospital, Evanston. He is the second W.A.B. man that is hospitalized. Percy Wesley, who underwent an operation several weeks ago, is still at Evanston hospital.

Paul M. Britton was feted at a farewell luncheon Tuesday, given by the western department of Fireman's Fund. He is leaving as assistant western manager of that company to join the Altman-Singleton agency at Kansas City. In addition to executives and department heads, six fieldmen who were in the city attended. Manager E. D. Lawson was master of ceremonies and two traveling bags were presented to Mr. Britton on behalf of the group by Agency Superintendent Fred Gedelman.

Fred R. Lanagin of the Daly General Agency, Denver, has been on a trip east and spent some days in Chicago.

DEATHS

Jacob R. Warner, 57, for 16 years secretary of the Adams agency, Warren, O., died suddenly from a heart attack at his home.

Harry S. Black, 80, vice-president of Lumbermen's Mutual, died at his home at Mansfield, O. He was president of Mansfield Farmers Savings & Trust Co., and senior vice-president of Ohio Brass Co.

Allan J. Roberts, 65, founder and president of the Roberts Co., Milwaukee general and local agency, died there after a heart attack. He founded the agency in 1908. His agency is general agent for General Accident and Potomac.

George W. Green, 86, Anoka, Minn., local agent, is dead.

Lee Clark, 74, Liberty, Mo., local agent and former mayor there, died suddenly at his home.

Albert J. Young, 76, Escanaba, Mich., local agent, died in a hospital at Grand Rapids, where he had suffered a heart attack. He entered insurance as an associate of the late Charles M. Thatcher about 1920.

Funeral services were held at Canton, O., Wednesday for **Bert A. Miller**, who was insurance superintendent for the District of Columbia under the Harding administration. Mr. Miller died at his home at Columbus. Recently he had been employed as an attorney in one of the state departments.

Mrs. Charles J. Montgomery, wife of the prominent local agent at Rock Island, Ill., died Tuesday. Funeral services are being held Thursday.

The **Belk & Co.**, local agency at El Paso, Tex., has moved into new offices at 212 North Kansas street.

Buyer Advocates Super-Reinsurer

The suggestion that the larger companies subscribe a substantial amount of money to purchase stock to form a super-reinsurance company with an outstanding underwriting executive at its head received the support of Ernest L. Clark, assistant treasurer and insurance buyer for the J. C. Penney Co., in an address before the Middle Atlantic chapter of C.P.C.U. at Philadelphia this week.

He said it is absurd that some businesses are lacking protection, and equally absurd that "a large portion of insurance premiums today should go out of the country to carriers who do not observe our laws, do not pay their portion of our government's cost from their profits, who are not subject to regulation by our own authorities, and who do not even submit a financial statement of their resources behind their insurance contracts."

The American insurance market should be able to offer sufficient facilities to take care of all American business. This has become such an urgent problem that its solution should transcend individual company prerogatives, he added.

He told the group that the buyer expects professional service based on knowledge, experience and vision from the agent and broker. From the companies, he said the buyers need a broader viewpoint to meet the buyer's desires without demanding an excessive premium. In making rates he said that inadequate premium income on a class of business, or no experience to base a rate, were unsound reasons for asking a high rate for a coverage. Insurance companies should broaden their coverage whenever possible to cover new types of risks without being pressured into doing it by competition, he stated.

"Psyche" F.P.E. Alumni

Illinois Institute of Technology, which conducts the famed fire protection engineering course is undertaking to catalogue the traits and interests that spell success in this line of work. John J. Ahern, director of the department of fire protection and safety engineering, has addressed F.P.E. alumni, asking them to submit to an interest test that has been devised by Institute of Psychological Services of Illinois Institute of Technology. These tests will be mailed to the alumni that are willing to cooperate, and the returns will be evaluated in an endeavor to obtain data from those who are actually working in the field, which will be helpful in selecting students for future work.

C.P.C.U.'s to Hear Bell

The eastern C.P.C.U. chapter will hold its annual luncheon Nov. 6 at New York. Kenneth C. Bell, Chase National Bank, will talk. This is the annual election of officers, and 11 new C.P.C.U. designees from New York, New Jersey and New England will receive diplomas.

The **Sioux Falls Assn. of Insurance Women** has elected Ellen Swenson, Queen City Insurance Agency, president and national convention delegate; Ardis Ament, Costello Co., vice-president; Dorothy Dunn, Main & Baker, secretary; and Mary Zitzka, F.U.I.B., treasurer.

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Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

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SAN FRANCISCO 4, CAL.—507 Flatiron Bldg. Tel. EXBrook 2-3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.

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Me.-N.H. Insurance Loss \$5-7 Million

(CONTINUED FROM PAGE 1)

was not affected. Of the dwellings destroyed, many had been built in recent years and run in cost from \$2,500 to \$6,000 or \$7,000. Many of the large residences contained expensive furnishings, pictures, art objects, and the like, so that contents losses are expected to be heavy.

Some inland marine men thought the losses on contents, under fire, personal property floater and fine arts policies might not run over \$250,000, but conceded it was too early to tell. Such losses won't be handled until the hard-ship cases are out of the way. Another delay will result from the fact that owners live in widely scattered points of the country and will wait till caretakers have been able to make an inventory. One observer thought the losses would not be high as the summer season was over several weeks before the fires started and summer residents had removed most of their valuable items to year around homes.

Reports of Looting

There were reports of looting at both Bar Harbor and Kennebunkport, and undoubtedly some was done. However, agents and adjusters on the ground report that newspaper accounts were considerably exaggerated. Any claims are expected to be minor.

The list of home owners in Bar Harbor that were burned out reads like a page from the social register—E. T. Stotesbury, Lady Eunice Oakes, Mrs. Robert McCormick of Chicago; Atwater Kent, Leander McCormick, Mary Roberts Rinehart, the Walter Damrosch estate, Mrs. Henry Morgenthau, Prince Burhaneddin of Turkey, the Arthur Train estate, Sumner Welles, John D. Archbold and others.

One of the buildings destroyed was the \$200,000 Jackson memorial cancer research laboratory. One research assistant managed to save some valuable microscopes, slides and about 100 of the white mice which have been bred and observed for 35 years in cancer study.

Other affected areas in Maine include Scarborough in Cumberland county, damage reported slight; Hiram and East Hiram, Denmark and Cornish in Oxford county; some rural properties in Brunswick and Topsham townships in Sagadahoc county.

In Kennebec county, Gardiner and Richmond townships had lost about 15 rural properties and a summer camp near Livermore apparently was destroyed, including an assembly building and 60 private cottages. Lincolnville township in Waldo county has an undetermined number of losses.

Somerset County Losses

In Somerset county, Madison, Norridgewock and Anson suffered losses. In Bingham and Moscow data is incomplete but losses are not believed severe. Machias township in Washington county suffered severely and was reported still burning Oct. 27. Control had been established elsewhere, but there had been no rain, and while there was little wind, the danger was still extremely great.

In New Hampshire fire broke out near Farmington and spread to Rochester, destroying 150 dwellings. A catastrophe office has been set up there by General Adjustment Bureau.

Commissioner Soule of Maine suspended the operation of the 45-day statutory waiting period on losses originating from forest fires. Adjusters will forward statements of losses closed under this authority. Mr. Soule also agreed with General Adjustment Bureau that adjusters would not have to pass an examination before being licensed, as required by law. Adjusters working on catastrophe losses are being given authority to act on certification by G.A.B.

Early information on insured losses

was delayed by martial law, closing of many roads and destruction of communication lines into affected areas. The forest fires followed no logical pattern, burning underbrush and grass in some areas and leaving trees green, and burning tree tips in other areas but leaving much brush standing. Fires jumped from property to property helter skelter and one old building on Mount Desert Island still stands among some fine homes that were burned to the ground.

General Adjustment has L. B. Howard, Bangor, in charge of Maine; G. H. Hotchkiss, Manchester, N. H., at Rochester. P. M. Winchester, general manager eastern department; J. J. McDevitt, assistant general manager, and F. W. Westervelt, Jr., executive department, were on the scene early to expedite affairs.

OTHER VIEWS GIVEN

SPRINGFIELD, MASS.—The dollar loss to property in Maine has been placed at \$8 million.

At Bar Harbor insurance men on the ground report the destruction of 169 year around dwellings, seven hotels and institutions, 51 summer estates for a total valuation of \$5 million with maximum insurance loss of \$2½ million.

Springfield F. & M., one of the big writers in Maine, estimates its losses at Bar Harbor at about \$100,000, while those outside that immediate territory would not exceed \$15,000.

General Adjustment Bureau estimated the total Maine fire loss would approach \$30 million, much of this including vast stretches of standing timber and brush lands not covered by insurance.

The Manchester, N. H., branch of G.A.B., Monday reported that at Rochester, N. H., there were between 50 and 60 buildings destroyed and an equal number in territory outside north and east in the towns of Farmington, Wakefield, Effingham, Freedom and Ossipee.

The area involved in Rochester is on the outskirts and does not involve any of the mercantiles or business area.

The insurance commissioner of New Hampshire has granted a blanket waiver of the 45-day payment rule.

Honest Policyholder Trips Up Railroad Department Agent

The federal grand jury at Chicago has indicted Ray M. Morgan, railroad department agent for Pacific Mutual Life at Kansas City, Kan., for mail fraud charges involving \$2,000 in cashed checks issued to policyholders he falsely represented as entitled to sickness payments. The agent, who had represented the company for 17 years, had received the checks from the claim department at Chicago during the last two years. Instead of delivering them he cashed them himself. He was tripped up when one of the checks was mailed to a policyholder direct and was returned by the honest recipient on the grounds that he had not been sick.

Tangle on How to Value Subsidiary Insurers

NEW YORK — National Assn. of Insurance Commissioners subcommittee on valuation of securities under Harrington of Massachusetts, which met in the New York department this week, ran into opposition with its suggestion that for subsidiary insurance companies' stock, the value be shown as of Sept. 30 in order to get those values in the commissioners' book of valuations. Fire and casualty officials, including A. F. Lafrentz, president American Surety; Frank A. Christensen, president America Fore, and J. R. Barry, president Corroon & Reynolds, indicated that a valuation on that date would be of little value to anyone when the parent company showed the value of its stock as of Dec. 1, and that so much can occur between Sept. 30 and Dec. 1 as to make such a showing positively dangerous.

L. A. Griffin, commissioners' committee on securities valuation, said requests

for such valuations came in from commissioners who do not require such valuation, and that he couldn't get it into the book unless he had it early. There are about 150 such companies at the present time.

Harrington said he'd like to have a more satisfactory method of computing the values of such stocks than the present one used, which follows the New York requirement. This method is to divide capital and surplus by shares outstanding. He said he didn't think the method solves all the problems correctly and called it "screw." Dineen laughed. Riley of the New York department said if Sept. 30 can't be used, the valuation method might as well be left as is. Harrington thought so too, though he clung to his original theorem that a more realistic method and one that could be applied more uniformly country wide is desirable.

LATE CASUALTY NEWS

Two Mail-Order Insurers Indicted on Fraud Counts

The first targets in what federal officials say is a nation-wide drive to clean up the mail-order insurance business, Guarantee Reserve Life and Guarantee Life, both of Hammond, Ind., and two executives have been indicted by a federal grand jury at South Bend on charges of conspiracy to defraud and of mail fraud through selling insurance by mail.

The officers are Ben Jaffe, Chicago, president and treasurer of Guarantee Reserve and Jerome F. Kutak, Hammond, vice-president and treasurer of Guarantee Reserve and a director of Guarantee Life.

The indictments climaxed a long investigation by federal authorities. They were based on complaints from policyholders of the two companies, which did a mail-order business, and comparisons were made between the sales representations and the benefits actually paid by the companies.

PEARSON GIVES VIEWS

INDIANAPOLIS — Commissioner Pearson of Indiana states that there is no question involved as to the solvency of the two insurers. He said the department has been watching them carefully and he gives them a clean bill of health. Their business has been increasing rapidly. He said the trouble stems from personnel difficulties. There was a strike last summer and the bookkeeping system broke down. Unwittingly lapse notices were sent to assured that were not in arrears. However, a punch card system has been installed and bookkeeping operations are now in order.

Guarantee Life was formed as a stock company gradually to absorb the business of the assessment company.

A. & H. Sales Talks Given at New York Congress

NEW YORK—The sales congress sponsored by the Accident & Health

Club of New York this week was attended by about 200. Speakers were DeWitt A. Stern and Mervin L. Lane, personal producers, and H. Ladd Plumley, vice-president of State Mutual Life.

Mr. Stern's topic was "How to Sell Accident & Health Insurance" and he gave four reasons, illustrating each with a sales example. He sells A.&H. because it is necessary to complete a man's program and make him a full line client, it is simple to sell, is a lead line to sales of other insurance, and because it provides steady annual commissions with a minimum of renewal trouble.

Mr. Lane told how selling A.&H. leads to multiple line production. He praised the value of using the payment of a claim to make sales to acquaintances of the person who received the claim money.

Mr. Plumley produced statistics on A.&H. coverage and gave a history of its development in this country. He said that the A.&H. business is challenged by the public demand for government health insurance, and the insurance business must provide better and less expensive coverage. With 130,000 new corporations being organized yearly, a permanent sales market for group A.&H. insurance is provided and he urged the producers not to forget it.

New Nebraska Reciprocal

LINCOLN — American Managers, Inc., with capitalization of \$100,000, has filed articles of incorporation with the Nebraska secretary of state. It will act as attorney-in-fact for a reciprocal to be known as American Insurance Exchange of Omaha.

The group organized in order to provide automobile insurance, the insurance department said.

It was explained that many insurers will no longer issue new policies for automobiles and are confining their business to renewals.

Philip W. Downs is president of American Managers and Wayne P. Eves, vice-president. Hodge Jones, secretary-treasurer, will also be manager.

Mr. Downs is an Omaha local agent.

Mueller Phila. Manager

Edward L. Mueller has been named manager at Philadelphia for Standard of Detroit group. Sam J. Carr is resident vice-president in charge there. Mr. Mueller, who previously was claim manager at Philadelphia, succeeds Lloyd Goulet, who has returned to the home office of Standard as assistant manager of the agency department.

Mr. Mueller started with Standard Accident in 1934, in the Philadelphia claim department, and was named manager of claims in 1943. He is a graduate of Villanova College.

Michigan Mutual Liability has been licensed in New York for most lines except automobile fire, which will be permitted after Jan. 1, effective date of the New York law permitting fire or casualty companies to write full auto lines.

Walter E. Watt, veteran Cleveland agent, who is also general agent of Girard Life, became a grandfather recently when a daughter was born to his daughter, Mrs. Wilford M. Beck. The child has been named Connie Lee.

THE BEGINNINGS OF THIS GROUP of insurance companies go back to 1849. Its companies have always been friendly and fair; have striven to be good citizens. Because of their modern management tempered by time, they are both progressive and reliable.



Kansas Agents Expand Activities

All Must Share Association Duties, Woodward Declares

Too much of the work of the association has fallen on the shoulders of too few of its members and if the many problems are to be solved all must contribute, Webb Woodward declared in his presidential message before Kansas Assn. of Insurance Agents.



V. G. Henry

"In following the trends and future possibilities of our business in insurance periodicals and elsewhere I am convinced that we must recognize and face the facts. The future of the agency system is by no means certain and assured. We had better take a little more interest in our association affairs. This is our trade association, not a social circle. Al Kenna is doing a grand job as our manager but he cannot do it all. We had better all jump in and give him a hand," Mr. Woodward said.

A turning point in the upward climb of the association was the employment of Alpha H. Kenna as executive-manager, he said.

He reported the association has op-

(CONTINUED ON PAGE 19)

Telephone No. 7323

Fire — Casualty
Accessory Lines

Midwest General Agency

GENERAL AGENTS
MISSOURI — KANSAS

916 WALNUT STREET
KANSAS CITY, MO.

OFFERING OUTSTANDING
COMPANY FACILITIES

We Operate Exclusively
Through Local Agents

Ted Rhodes

Prevention and Education Highlighted at Topeka Meet

Accident and fire prevention and safety education were highlighted on

the Kansas program by the appearance of H. R. Danford, director of education of National Conservation Bureau; Patricia Solander, accident prevention department of the Kansas highway commission on safety education; George E. Erickson, New Hampshire Fire state agent and former secretary of the Kansas State Fire Prevention Assn. who outlined the governor's fire prevention program, and Joe Moddrell, Wichita, chairman of the fire prevention committee of the agents' association.



H. R. Danford

Danford Tells Accomplishments

Offering to work with any local board in setting up driver education programs, Mr. Danford sketched the accomplishments of agents' groups in many cities. He pointed out that agents can help locally by serving on safety councils and committees; promoting adoption of driver education courses in schools, and assisting the highway and local police departments in their programs. He suggested that agents make use of safety material furnished by various companies and arrange for speakers at service and civic clubs.

He urged that the 19 basic "Rules of the Road" plus local ordinances be added to school curriculums and that adults likewise acquaint themselves with these.

Mr. Danford cautioned stock company agents against letting the A.A.A. take the leadership in highway safety warning that most of these clubs sponsor insurance plans which do not recognize the local agent.

Patricia Solander, a former member of the Kansas legislature said that one out of every three children who die, die of accidents. She suggested that the campaign be changed to "Prevention of Personal Injury" or a greater appeal. She deplored the fact that Kansas only has 80 highway patrolmen.

Agent Has Safety Influence

Mr. Moddrell pointed out the agent's opportunity to sell fire safety in his contacts with management. Agents were urged to cooperate with their fire

and building departments, architects and rating bureau to urge and secure fire safe new construction. He pointed out how with proper authority an agent could take his client or his architect to the rating bureau engineer to go over construction features of new buildings before the plans are completed. Faults can be eliminated at that time often without any additional expense, making for a safer building and a lower insurance rate.

Mr. Erickson reported the building construction committee under the governor's program recommended thorough revision of the school fire laws and fire escape laws, and that a law be enacted that will authorize the governor to appoint a board to draft minimum building standards covering new construction of public buildings and places of public assembly.

He reported that Governor Carlson is attending the six meetings of fire committees and is vitally interested in his program. Most of the recommendations require legislation.

The committees are: Municipal fire service, building construction, laws and enforcement, fire prevention, rural protection, and organized public support. Members are from every walk of influence.

Clinic Shows That Good Agent Is Mighty Busy Man

The clinic, "The Local Agent at Work," presented by Cheney Prouty, George McAnany and Farris Taylor of Kansas City, demonstrated how full is the daily routine of the present day agent.

Mr. Prouty set his schedule of the day to include appointments with a doctor to close a personal property floater at which time he would discuss a physician's instrument floater and comprehensive personal liability and with a client who was building a new home and needed complete coverage to include the builder's risk perils, during which he would propose to make a complete insurance survey. There were calls at a law office to renew a notary public bond; to a bank to deliver a bond in connection with an estate; several automobile property damage claim calls. He had to solicit community chest funds; attend his civic club at noon, and call in connection with unpaid balances which he has found bring good results at mid-month.

Schoonover, Bacon Head Enlarged Official Family

Kenna to Spark Drives for Members, Education Spread

With 329 registered, the best attendance in recent years, the Kansas Assn. of Insurance Agents meeting at Topeka, launched an expansion pro-



Chas. Schoonover



Alpha H. Kenna

gram to take full advantage of their full time manager, Alpha H. Kenna, who also serves as educational director.

A five-year expansion program was adopted to be formulated by a 5 to 7 man advisory committee selected to work with the executive committee in setting up objectives for the current year, and a five-year program. It was immediately announced that 200 new members are to be signed up during the next year to augment the present membership of 459. New high in membership was attained with addition of 46 members and income was doubled, from \$6,000 to \$12,000. A healthy financial balance was reported.

Under a new constitution adopted, the official family is enlarged to 12, including six officers and six directors. The office of secretary-treasurer was split into two offices. President, vice-president, past president and state national director are the others.

Vigorous support was pledged to the governors' fire prevention and safety programs, an adequate drivers' license law, and an agents' licensing law. The educational program will be extended to all zones of the state by a series of

(CONTINUED ON NEXT PAGE)

Orville A. Sheffer
O. V. Ashley

H. C. Cunningham
W. A. Hartong

SHEFFER-CUNNINGHAM

Adjusters

Wichita, Kan.



AUTOMOBILE
CASUALTY

13 Full Time Adjusters

COMPENSATION
SURETY AND FIDELITY

Over 150 Companies

AVIATION
MARINE

Branch Claims Office for 5 Major Companies

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JOTTINGS AROUND THE JAYHAWK

The Hussey & Hussey general agency held open house Thursday evening as a going away party for its state agent and former partner, Ivan Hemphill, who has become a partner in the Woodward agency of Wichita following 10 years to the day with the Hussey firm. James Ezy, new state agent, was introduced. Hosts were L. T. Hussey and his son Ted M. Hussey, who is also general agent for the Equitable Life of Iowa.

Ross E. Friskie, Independence branch manager of Kansas Inspection Bureau was unable to attend being laid up with a ruptured blood vessel in his leg, but is reported improving. There was a good representation of agents from Independence headed by Jim Gilmore, a state past president.

A number of agents attended Topeka Rotary Thursday noon as there was no scheduled luncheon meeting for the men.

President Glenn Hussey of the Topeka Association and a past president of the Kansas association was absent in South Dakota with a pheasant hunting party. Nesbitt Fink, vice-president and George Staebler, Jr., secretary represented the host association.

John Magenheimer, secretary of North British, was in Topeka early in the week investigating prospects for a field man for southern Kansas state agent, but was unable to remain due to appointments in Oklahoma.

C. E. Stiehl, London & Lancashire, M. L. G. of the Kansas Blue Goose returned from the grand nest meeting in Miami in time to officiate at headquarters at the Jayhawk. Among other refreshments dispensed was 10 pounds of peanuts.

J. E. Mott, state agent Great American, was in charge of headquarters at the Jayhawk.

Joe Springer, Western Adjustment manager at Topeka was on hand having recuperated from a combat with a hit and run driver and weeks in a hospital.

Representing the Associated Aviation Underwriters from Chicago were E. L. Stephenson, Midwest manager; Don Wilson and Wardell E. Hinderks, field representatives.

Added floor show entertainment at the dance was an impromptu trapeze act in which State Agent B. E. Ward, Glens Falls, and State Agent George E. Erickson, New Hampshire, participated. Both did a double twirl with one of the entertainers on the trapeze that left them a little foggy, assuming they were not a little that way to start with.

R. E. McGinnis, president of the Central Surety, and Homer H. Minnick, Kansas state agent were hosts at headquarters.

Cecil McGee, field supervisor and Adrian Lindsey and Gene K. Thomas, special agents of the Kansas City F. & M. issued a convention roster which was distributed at the banquet.

The past presidents' dinner was presided over by Holmes Meade, of Topeka. Past presidents on hand included Fred Gould, Arkansas City; Will S. Thompson, Hutchinson; James Gilmore, Independence; Urban Brown, Emporia; George Stoskopf, Baxter Springs; Laurin Jones, Dodge City; Dwight Smith, Wichita; Alex Case, Marion; Bert Mitchner, Hutchinson; C. G. Blakely, Edwin S. Nellis, Webb Woodward and Mr. Meade, all of Topeka.

Winners of golf prizes in the annual golf tournament held during the afternoon were Harry Wilson, Topeka, low gross and Frank Regier, Corroon & Reynolds state agent.

Entertainment during the stag was given by Jeanne MacKenna, Columbia radio star, Chicago, daughter of Executive Secretary Alpha Kenna.

William Elem, assistant secretary Central States Fire, and Mrs. Elem were on hand having just returned the day before from a month's vacation trip in New England, following a visit at the Hartford office.

Luncheons were held at the Kansan Hotel for the ladies. Some 97 insurance

women attended one and about 50 wives the other, with the Topeka Blue Goose auxiliary as hostesses with Mrs. Geo. E. Erickson presiding.

Former Kansas commissioner, Chas. F. Hobbs sat in on some of the sessions.

Wells R. King of Omaha was the guest of C. J. Wintrol, state agent Royal-Liverpool group.

The following father and son combinations were in attendance: Ernest Fikes and his son Russell; John Kline and his father N. N. Kline of Hutchinson; J. Y. Dickerson, Loyalty group and his son J. M. Dickerson, Norwich Union; C. G. Blakely, Jr., and his two sons Charles and Vic., and John Burns and

Jack Burns, Jr., of Wichita.

Miss Marjorie Wilson, Meade Co. past-president of Insurance Women of Topeka presided at the Insurance Women's luncheon at the Kansan.

George Stoebl, Jr., deserves much credit for the success of the meeting, he serving as general chairman.

Kansas Agents Are to Expand Activities

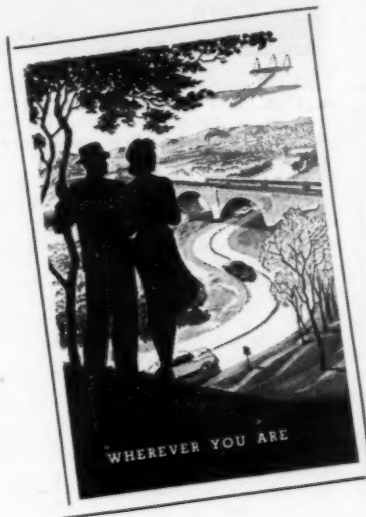
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group meetings and organization of local study club groups in addition to the annual short course at the University of Kansas, which has been set for next

June. Organization of additional local boards on either a city or county basis is planned.

Under the new constitution larger agencies are given more vote in the conduct of the association, as one certified voting membership is granted for each \$25 dues paid.

They set the next meeting of the executive committee for early December in Wichita.

Victor G. Henry, Wichita, who retired as state national director due to ill health after six years' service which had followed two successive years as president, was given a vote of appreciation for his outstanding work and the



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You can forcefully present this message to your clients with THE WESTERN'S visual sales aid. It pictorially shows the broad coverage and skillfully draws out the values needing protection. A completed application is the natural result of your presentation.

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INLAND MARINE

PUBLIC LIABILITY

BURGLARY

ACCIDENT, HEALTH AND HOSPITALIZATION

PLATE GLASS

WORKMEN'S COMPENSATION

FIDELITY AND SURETY BONDS

Assigned Risk Plan Held Unnecessary

The executive committee of the Kansas association turned thumbs down on the assignment plan for automobile bodily injury and property damage insurance which has been proposed for Kansas on the grounds that insurance requirements on these lines are currently being met by established local agents employing sound underwriting. It was held not to be in the best interest of the agency system or the public.

Before reaching this decision, the committee explored the proposal, meeting with the commissioner, the committee and buyers.

Topeka Board was complimented for their fine cooperation in making the 1947 convention a huge success. More than 400 attended the banquet Thursday night.

At the banquet, the Frank T. Priest cup, awarded annually to the local board conducting the best year of service to

the president's chair was Charles Schoonover of the Bosworth-Schoonover agency, Garden City. Vice-president and president elect for 1948-49 is George F.

NEW OFFICERS

President—Charles Schoonover, Garden City.

Vice-president—George F. Bacon, Eldorado.

Treasurer—Nesbitt C. Fink, Topeka. Secretary—V. Murl Richmond, Salina.

State National Director—Edwin S. Nellis, Topeka.

EXECUTIVE COMMITTEE

Webb Woodward, Topeka; Evan H. Browne, Kansas City; Wade Patton, Hutchinson; Carl R. Guilkey, Independence; Chas. A. Schiefen, Colby; Howard Fullington, Wichita; Kenneth Ross, Arkansas City.



WEBB WOODWARD

the business was awarded to Wichita. Robert E. Israel, Jr., accepted the cup from President Webb Woodward. The Rosse Case memorial cup, given by Alex Case, Marion, in memory of his father, to the individual agent putting the most effort into fire prevention activities in his community, went to Reuban Miller of Hutchinson, chairman of the local fire prevention committee. A close second was Lewis O. Stanley, Satanta, who did an outstanding job in his town of 345 people.

There were no set speeches at the banquet, however a short response was made by Commissioner Sullivan, following his introduction as a new honorary life member of the association, the first Kansas commissioner to receive this designation.

George Staebler, Jr., general convention chairman and secretary of the Topeka board, and Bun Kane, entertainment chairman, were thanked for their efforts. President Woodward presided. A floor show and dance followed.

Advanced from the vice-presidency to

Bacon of El Dorado, who has been on the executive committee. The new post of treasurer is filled by Nesbitt C. Fink, Topeka, who was secretary-treasurer last year. V. Murl Richmond of Salina, moves into the position of secretary from the executive committee and Edwin Nellis of Topeka, a past president, is the new state national director.

At a joint meeting of new and old executive committees following convention adjournment, Alpha H. Kenna was re-named executive manager and educational director. Committees were selected for the new year and will be announced following confirmation and acceptance.

The invitation of Wichita for the 1948 convention was accepted. Program details will be handled by the state officers with the Wichita association responsible for local arrangements.

Allen Meyers, Topeka attorney, told the convention damage awards are complicated in the cases of returned GI's who receive assistance from the government in educational or on-the-job training programs. The question arises whether the payments made to them by the United States are gratuities or may be included as a part of their earning power in determining damages or claiming compensation benefits beyond what would be their due under the wage scale of the private employer.

Lawyers in automobile litigation during the past six months have noticed increased damages in reference to the property items as a result of rising cost of replacement and repair. It is now also apparent that juries will be permitted greater leeway in valuing the intangible elements, Mr. Meyers said.

Commissioner Sullivan of Kansas said that premium takers, selfish and unethical agents must be weeded from agency ranks if insurance is to remain as it is today. The American system is built on rules set up by all the people with the public interest as the controlling power. If the profit motive system is to survive, the individual must play the game according to the rules, he said.

"You as an individual agent, represent the little business man of America; collectively, you represent the biggest business in the world, the insurance business, the base upon which the great American free enterprise system rests," Mr. Sullivan commented.

Karl Kennedy, editor of "Kansas



This is the staff of Western Fire and Western Casualty, which acted as hosts to K.A.I.A. at a stag. From the left are Clarence Poole, auditing department; L. A. Tonnies, assistant secretary; Cliff Gordon, auto department; Delmar Chambers, fire department; E. H. Allen, bond department; D. P. Gordon, assistant secretary; H. G. Cosby, state agent.

Business Magazine," called for an end to government subsidies in the form of income tax exemptions for cooperatives. The cooperatives have become big business and should take the responsibilities of being big business by paying the same amount for the support of state and federal government as other types of enterprise, he said.

W. Gordon Kellner, Aetna Casualty manager at Kansas City, said agents must do some of the underwriting and not forget that companies and agents are operating on a 50-50 basis. He believes sizable premiums will continue for some time, but that a slump of 15 to 20% may be expected following the peak. He said the time will come when agents will have to earn their premiums and meet cut-rate competition. They must train themselves, he said, to be the best in the community. He recommended reading and using timely articles appearing in trade magazines. He cautioned that the time will come when the agent must be ready, willing and able to go out and reduce values.

Let the Prospect Decide

"Let's not think we know everything about what a prospect needs—tell him and then let him decide what he wants, not what you think he needs," he concluded.

Insurance is making progress toward becoming a recognized profession, according to Richard E. Farrer, director of the educational division of N.A.I.A. He said morticians, beauty operators and barbers pass examinations but in the insurance business no one seems to insist that the agent be qualified. He inferred that "things happen in state legislatures" and that some unenlightened companies seem to prefer ignorant agents; that others such as direct writing companies and county mutuals are not interested.

Mr. Kenna closed the convention with



Frank C. Colridge, secretary of N. A. I. A., with W. P. Welsh, the new president, before the camera of H. H. Fuller, deputy U. S. manager of Zurich.

a warning against self-satisfaction with personal appearance, dress, speech, language and insurance knowledge. The agent must have sympathetic interest in other people and should take more interest in safety.

The annual rural agents breakfast was arranged by George F. Bacon, Eldorado. Some lady agents were among the early birds this year. A discussion on "How to Value Farm Buildings" was given by E. A. Fikes, farm special agent of Home. He gave figures for various farm buildings which are subject to a 2% reduction.

For depreciation, Mr. Fikes said to figure 1% per year for brick and 2% for frame. As a measure of the physical increase in cost of farm improvements, Mr. Fikes asserted that using 1913 as 100%, figures today would be 480%.

He urged agents to underwrite farm business, stating that most companies would not write more than 75% of the actual value, assuming that it is the utility value of the property. He urged full coverage on personal property including live stock and equipment.

Organize at Sioux Falls

Local agents of Sioux Falls, S. D., held a meeting Monday to organize a trade association. J. H. Wooldridge and other agents from Sioux City attended to tell how the board there is run.

The organization committee of which Deane Davis is chairman, is composed of Jay B. Allen, George Barnett, John Costello and Don Fox.

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Holmes Meade	Lakin Meade
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Arnold Falk	George Staebler, Jr.
Ray Henry	Lloyd Perryman
Orien Griffith	Lee Weir, Jr.

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TOPEKA, KANSAS



The MID-WEST Co.
General Agents

532 Kansas Avenue Phone 2-3359 Topeka, Kansas
C. W. ROUSH



AT N. A. I. A. CONVENTION AT ATLANTIC CITY:

From left: Webb Woodward, Topeka, president Kansas Assn. of Insurance Agents; Guy T. Warfield, Jr., Baltimore, outgoing N. A. I. A. president; Neville Pilling, U. S. manager of Zurich, and W. C. Brunk, Ottumwa, president Iowa agents association.

Form Educational Unit in Western Adjustment

Western Adjustment announces the appointment of Manager John L. Epler of the Toledo branch as educational director for a department in that classification to be established in the head office. The need of an educational program has long been recognized by head office and branch office personnel and the appointment of an educational director is the initial step to make such a plan effective. The program will necessarily be conducted entirely apart from administrative duties.

Mr. Epler graduated from Purdue in 1919 in chemical engineering. His education has been largely scientific, he having served as research engineer, chemical engineer, engineer in charge of construction and construction superintendent previous to joining Western Adjustment 20 years ago. During the years of his service as adjuster and manager, Mr. Epler has shown an unusual interest in educational matters and, in addition to his scientific background, is a most competent adjuster.

Effect of Education

"Professional insurance service is becoming increasingly available to American business," John N. Cosgrove, public relations director of American, said in his address "Protecting a Business Through Insurance," at the annual symposium on accounting and taxation of North Carolina Assn. of Certified Public Accountants at Duke University.

Mr. Cosgrove cited the extensive edu-

cational programs in insurance that are elevating the level of insurance service.

Thousands of producers who enjoy comfortable incomes and good community reputations nevertheless continue to attend classes to master the technicalities of the insurance business, Mr. Cosgrove pointed out. The ultimate beneficiary is the public, particularly American business.

Pape to P. W. Post in West

George R. Pape, who has been appointed assistant western manager of Providence Washington, temporarily is located at the head office. He will shortly assume his new position at Chicago.

Since 1940 Mr. Pape has been manager of National Liberty at Boston. Prior to that he was with Royal-Liverpool at Chicago. He resigned as president of Bay State Club when he accepted his new position. He has been chairman of the executive committee of New England Fire Insurance Exchange.

Mr. Pape was given a farewell luncheon by more than 100 fire insurance men at Boston on the eve of his departure for Chicago. Arthur D. Cronin of Kaler, Carney, Liffler & Co. was toastmaster and Harold G. Whitney of National Union was chairman of the committee.

Gen. Fleming Sees Building Code Lesson in Hurricane

Strong building codes are valuable in causing construction of wind resistant as well as fire resistant structures, according to Maj. Gen. P. B. Fleming,

general chairman of the President's fire prevention conference, who addressed the recent New Hampshire fire prevention conference at Concord.

He said that, on instructions from President Truman, he had surveyed the hurricane damage in Louisiana, Mississippi and Florida.

"One thing stands out in my recollection of the trip," he said. "The storm damage to buildings was confined to flimsy structures. In Florida, where they had two bad blows 20 years ago, they revised their building codes and the buildings built since then have been well constructed of approved materials. These buildings rode out the storm intact. In Mississippi, however, where they had not had a hurricane for 40 years, many tourist camps and other buildings of flimsy construction went down before the wind and there was an unnecessary loss of life. It obviously follows that good building codes, like-

wise, are a strong bulwark against fire. "If one needed a practical demonstration of the value of a good building code, I certainly saw it."

All Must Share Association Duties, Woodward Declares

(CONTINUED FROM PAGE 16)

erated within budget with a balance in the bank at the close of the fiscal year of \$1,213.

Mr. Woodward said Victor G. Henry has given unselfishly of his time and ability as state national director. He attended the mid-year meeting of the National association in Oklahoma City. Due to his ill health, however, he was unable to attend the annual convention and Mr. Woodward reported for him in this capacity.

Carl E. Stone, Nevada, Ia., has purchased the F. C. Tarman and Oscar Hall agencies and consolidated them with his own.

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BALTIMORE AMERICAN

Bush New Wisconsin Assn. President

Many Topics Are Reviewed at Milwaukee Parley

Retiring President Carney Comments on Successful Year on All Fronts

NEW OFFICERS ELECTED

President—Henry H. Bush, Madison.
Vice-presidents—T. Z. Clayton, Milwaukee; Charles Manson, Wausau, and Arthur R. Setz, Waterloo.
Secretary-treasurer—Don Gottschalk, Milwaukee.
National director—Ben F. Fronk, Manitowoc.
Executive secretary—Urban Krier, Milwaukee.

MILWAUKEE — Two full days of constructive talks and a legislative forum conducted by state officials on the all-important new fire and casualty rating laws, fair trade practice act and safety responsibility law, featured the



J. H. Carney



Urban Krier

49th annual meeting and convention of the Wisconsin Assn. of Insurance Agents here this week.

In his report of administration, President John H. Carney, Eau Claire, pointed with pride to the achievements and tremendous strides forward made by the Wisconsin association this past year. Mr. Carney emphasized that in a little over two years the Wisconsin association membership has increased from some 200 to 672 agency members and 35 local boards.

With much time of the executive secretary and officers and committeemen devoted to very necessary legislative work, this endeavor was highly successful, even though the agent's licensing bill finally went down to defeat.

"We cannot compliment too highly the fine and highly successful work done in the legislative field by our executive secretary, Urban Krier," said Mr. Carney. From now on our legislative activity must be on a full year every year basis and not only during legislative sessions, he declared.

Education Activities Successful

Commenting on the educational work, Mr. Carney said it was a success of which every member can be proud. In that direction the state and national associations have done a lot for the agents, he added, mentioning some details of the weekly class course being held in the rooms of the Milwaukee Board and the successful fire and casualty seminar held at the University of Wisconsin this summer.

Improvement in company-agent rela-

tions were related by the president, who said only a week before the convention James Cahill, secretary of the National Bureau of Casualty Underwriters, came by appointment to Wisconsin for the sole purpose of explaining the new Wisconsin casualty rate regulatory law, and also to explain the National Bureau's proposed filings for Wisconsin under the new law.

"Now here is the miraculous phase of his visit. We were specifically told by Mr. Cahill that the National Bureau's proposed filings were submitted to us with the specific request to agree or disagree with them, and we were assured that if our state association wishes were contrary to the National Bureau's proposals that the National Bureau would change their proposals to agree with our views."

Executive Committee Meets

Preliminary to the convention which opened Monday morning, the association executive committee held a meeting throughout Sunday afternoon to conduct its annual business. In the evening a meeting was held with officers of local boards throughout the state. Following the dinner, various subjects of particular interest to local board operating were discussed, such as the question of local boards filing income tax returns. It was generally agreed that local boards should contact the internal revenue department to confer with officials for a ruling whether their set-up and operation would make them subject to filing returns and to payment of taxes. Boards organized as purely service organizations on a non-profit basis generally are exempt from taxes. Educational programs for members of local boards, keen interest and active participation in local fire prevention and safety campaigns and similar activities were discussed and recommended.

Sidney E. Nelson, Racine, chairman of the state committee on accident prevention, held a committee meeting during the afternoon. He reported on the plan to get the local boards to adopt a safety oath proposed by national association.

Russell Opening Speaker

Addressing the opening session on "Agents and Probate Bonds — What They Mean to Each Other," A. H. Russell, manager court and miscellaneous department, American Surety, discussed the operation and benefits of probate bonds and reviewed briefly a few of the fundamentals.

Probate bonds offer agents a dependable and pleasant source of profit, Mr. Russell said. He made suggestions as to how and where to get some of this business and pointed out some things which agents do to stimulate the use of probate bonds with corporate surety. He illustrated his points with actual case examples.

Not many agents can make a living just from writing probate bonds, he added, but almost any agent can develop this line as a source of extra revenue. Furthermore, the time and attention devoted to probate bonds can be made to pay off far beyond the commissions earned on the probate bonds themselves. This often leads directly or indirectly to the writing of other lines of business, provided the agent will make the most of the valuable contacts arising out of the handling of probate bonds. Mr. Russell also explained how an agent can go about building up his fiduciary bond business.

The insurance agent must educate himself to attain professional status in the eyes of the public, said Richard E. Farrer, director of educational division of N.A.I.A. His talk was entitled, "A Professional Approach Through Education." He is the author of the new National association introductory course which is currently being featured as the

Comments on Status of Insurance Under Moratorium

Some observations on the status of the insurance business under the moratorium, and a few general recommendations as to possible action were delivered by Senator Alexander Wiley of Wisconsin at the Tuesday luncheon of the Wisconsin agents meeting.

Senator Wiley is chairman of the senate judiciary committee, and with Senator McCarran, was responsible for the moratorium extension definitely de-

The senator confined his observations to seven general subjects. First, he noted, the congressional debate on the moratorium extension, definitely developed that the insurance industry involved the public interest and all future legislative and industry programs must revolve about this fact.

Gives Pattern for Other Fields

Congress has opened the door for the industry and the state to do a job in protecting the public interest, he commented, and this point is important, not only in the insurance field, but as a possible pattern for legislation in many fields. The senator noted that although the necessity for federal regulation in many aspects of national economic life is recognized, many persons have been seriously disturbed by the drift away from individual, corporate and commonwealth initiative and responsibility.

Third, he pointed out that despite the fact that Congress has made an effort to preserve the regulatory and taxing power of the states, it also reasserted its jurisdiction over the interstate aspects of the industry.

Despite the splendid records of many groups within the business, the national public interest may require some further exploration with respect to uniform accounting practices, he declared.

The insurance industry and the state still have certain problems relating to fair trade practices which would establish at a state level requirements matching those of the federal trade commission act. This latter applies particularly to life companies.

Still Have House Cleaning Job

If the insurance industry and the various states desire to ward off federal regulation, Senator Wiley asserted it is essential for them to put their houses in order. "Insurance grew to greatness under a system of free enterprise. I want to see it continue to grow under a system of free enterprise. I want to see it as free from federal regulation as is properly consistent with the public interest. That means that in every state there is still the obligation to make

latest addition to the association's educational program. This new course, he said, fills a demonstrated need. The uninformed or ignorant agent is a detriment to the entire agency system, as the person inadequately sold losses faith in all agents.

Public Relations Program

Eli Shupe, Home, Milwaukee, co-chairman of the public relations committee of the Wisconsin Fire Underwriters Assn., outlined the public relations program which the companies and field men are furthering. In addition to assisting educational classes of agents, the plan includes providing speakers for local appearances to promote public understanding of the business. He also explained the plan whereby agents will be asked to furnish lists of opinion leaders—people of influence in a community, who will be sent the Western Underwriters Assn. publication, "Fire Insurance Facts & Trends,"

certain that state legislation is completely adequate."

Finally, he stated that any complete program which may be worked out can be satisfactory to the industry and to the states, but it is still inadequate if it does not satisfy the general public which has such a vital stake in the vast fiscal reservoirs of the industry. "That means that your industry may need a first-class educational program," he said.

Agents Must Give Full Support to Safety Program

MILWAUKEE—Commenting on the motor vehicle traffic accident problem in Wisconsin with figures of accidents and the number of persons injured and killed during the recent years, B. L. Marcus, commissioner Wisconsin motor vehicle department, said public and private agencies concerned with traffic safety realize that they must intensify their efforts in all possible ways. Mr. Marcus spoke at the Tuesday legislative forum.

In Wisconsin the state has put into effect all accident-prevention measures except motor vehicle inspection. Without inspection there is a spoke missing in the safety wheel, he said. The percentage of fatalities as a result of motor vehicle traffic accidents in Wisconsin in which one or more defective motor vehicles were involved, has increased each year from 6% in 1941, to 9.4% in 1946. The public is in favor of motor vehicle inspection legislation.

Compulsory inspection legislation was introduced in 1945 legislature, providing an interim committee to study the need. This committee recommended an inspection system but during the last session, the bill was passed in only one house. Another bill will be introduced in the next legislature.

Agents Vitrally Interested

As insurance men, Mr. Marcus stated the agents should be vitally interested in this type of legislation. The only salvation in the insurance rate question is to decrease the frequency and severity of motor vehicle traffic accidents. If the frequency of accidents increases, insurance rates will have to go up, and they are, he remarked just about as high as the traffic will bear. If the rates go up, companies will lose the careful driver who drives only a few miles a year, as he will feel that he can take a chance.

Mr. Marcus asserted that if the accident frequency increases and companies do not increase the rates, many will be obliged to discontinue writing auto insurance, or go broke. More serious than this is that the state may be forced to go into writing automobile insurance as the public can or will do away with motor vehicle transportation. The most effective way to accomplish this most necessary legislation, he declared, is for the agent to contact his assemblyman and senator personally.

The agents are over a barrel and must interest themselves in every phase of safety, he said.

telling the story of the fire insurance industry. This publication will provide a better understanding of the insurance business by the public, will build up the agent's prestige, raise the standards of the insurance business and make the agent's job an easier one.

Speaking on "Insurance Needs More

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Business—Business Needs More Insurance. Edwin B. Moran, Chicago, manager central division National Assn. of Credit Men, stressed that adequate coverage of a business against "business wrecking hazards" is a minor factor in considering granting credit by leading agencies. He cited numerous case histories of firms whose failure was primarily caused by insufficient insurance against fire and other losses. He placed part of the blame upon the poor selling job of the agent who does not sell his client sufficient coverage, frequently because the client fails to understand fully what coverages he should have and what he actually purchased. Mr. Moran contended that there is a large field of potential sales of additional business in hazard insurance of one type or another to adequately cover the client and bring many additional premium dollars into the agency.

Agents should make use of the great amount of published material on safe driving which the companies and their associates are making available. Harold R. Danford, director of education for the National Conservation Bureau, said in discussing "Driver Education." The program of the bureau, he said, concentrates on educating teen agers, because it is in that group that five times as many auto accidents occur as in the older groups. He urged the agents to see that teachers in their communities are trained in driver instruction. In Milwaukee he recently participated in a course for Milwaukee county high school teachers to prepare them for the opening of a course in automobile safety, beginning next January. The elective course will consist of 38 classroom periods. After a teen ager has completed an automobile safety course, he is in the proper frame of mind to drive a car with proper respect for himself, other drivers and pedestrians.

In discussing "Taking Your Association Seriously," Harry E. McClain, Indianapolis, executive secretary Indiana association, praised the Wisconsin association for its progress in membership



H. E. McClain



R. E. Farrer

and activities during the recent years. He stressed that it is the agents' organization and that their participation makes for the success or failure of the association. What a member gets out of his association, he stressed, is proportionate to what he contributes and puts into his organization.

Representing the National body on the Wisconsin program was John C. Stott, Norwich, N. Y., vice-president National association, whose subject was, "Whither Thou Goest."

A capacity audience of 700 agents attended the legislative forum during Tuesday afternoon when new Wisconsin rating laws were explained by state officials. Question periods followed each speaker and session lasted until nearly 6 p.m. Charles Timbers, deputy commissioner, briefly outlined principal provisions of the revised fire rating law and some of important changes from old law. Lloyd Yaudes, chief casualty examiner covered the casualty rating law. They asked for the cooperation of the agents and suggested they become thoroughly familiar with these new laws.

Harold Persons, assistant Wisconsin attorney general, in discussing new state fair trade practices act, emphasized that this law together with new fire and casualty rating laws, are results of public law 15 to get state legislation within

Cuff Notes from Milwaukee

John D. Rogers, resident vice-president at Milwaukee for **Continental Casualty**, presided over that company's headquarters. Present from the Chicago home office were Ralph Jones, public relations counsel, Richard Imond, underwriting superintendent, and Robert Harvey, assistant secretary.

In addition to the Wisconsin field force of **Fireman's Fund**, two officials from Chicago were on hand, Robert C. Folley, manager of the indemnity company, and Mel George, assistant manager.

Carlyle M. Latta, resident vice-president American-Associated group, known for his hospitality at Wisconsin meetings, again functioned as host at his companies' headquarters. He was assisted by his entire field force.

The **Hartford** headquarters, on the

same floor as the convention sessions, had a number of officials present. Hartford Accident was represented by George H. Moloney, vice-president; Charles Dubach, superintendent of agencies, and John W. Rietse, associate manager. Earl Whitcomb, Chicago, assistant manager of Hartford Fire, was also in attendance.

A. M. Wagner, assistant secretary of Hanover, was on hand.

T. T. Karlquist, Minneapolis, regional manager Royal-Liverpool, dispensed hospitality at his suite, assisted by his Wisconsin field men.

Art Schulkamp and P. W. Cyr, vice-president, held their usual open house headquarters for Fish & Schulkamp General Agency of Madison, following practice of many years.

Mutual Loss Managers Elect Advisory Body

Meeting after the close of their annual convention at Chicago, the loss managers conference of Mutual Loss Research Bureau selected its advisory committee for the next year. This was the first year that this committee has been popularly elected, in the past the members having been picked by Gordon Davis, secretary-manager. Among other duties, the committee arranges the annual meeting and will first convene in January at Chicago.

H. D. Heath, Northwestern Mutual, is chairman for the second year. Other members are F. D. Hawkins, United Mutual; E. A. Nelson, Pawtucket Mutual; G. S. Peick, Hardware Mutual of Minnesota; John Wise, Mill Owners Mutual.

Institute Reelected

NEW YORK—J. A. McLain, president Guardian Life, was reelected president and other officers of Insurance Institute of America were reelected at the annual meeting here. Governors elected to serve until 1950 are J. A. Bogardus, Atlantic Mutual; E. W. Elwell, Royal Exchange; O. C. Gleiser, Commercial Union; J. H. Grady, General Accident; E. H. Kingsbury, Royal Liverpool; A. F. Lafrentz, American Surety; and P. B. Reed, adjuster.

Forbes Gets Four-Year Term

LANSING, MICH.—Gov. Sigler has appointed David A. Forbes insurance commissioner to serve a four-year term under provisions of a newly effective 1947 statute.

The Michigan commissioner, who now heads the executive committee of National Assn. of Insurance Commissioners and who had served two two-year terms under Sigler's predecessor, Harry F. Kelly, thus is assured of a longer tenure in office than any previous Michigan commissioner.

Young Boston Manager

Norman A. Young has been appointed manager at Boston of National Liberty, Baltimore American and Paul

Survey Brooklyn Market

Brooklyn Insurance Brokers' Assn. has sent a letter to agency and branch office managers to find relief from the market problem. The letter asks that the managers indicate the classes of business to which they will open their accounts to new brokers, providing that the brokers meet the company underwriting standards. The association has received complaints that some offices will not take on new accounts while others would open accounts for new brokers but not for established ones.

The questionnaire asks the managers if they are prepared to open new accounts with either new or established brokers, subject to underwriting requirements, and asks the managers to check the lines.

Contract Claim Procedure

Andrew Eckel, New York City attorney, will discuss claim procedure on contract bonds before Surety Claim Men's Forum there Nov. 13.

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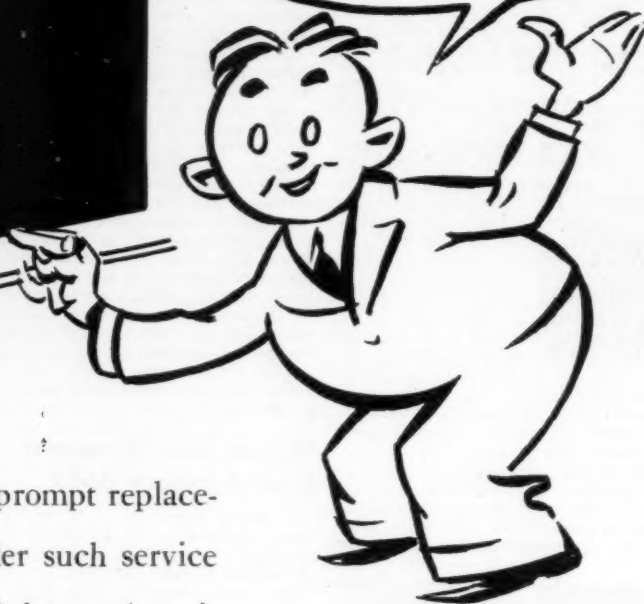
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Surety Association Absorbs Towner Rating Bureau

**Martin Lewis Becomes
General Manager of
Combined Organization**

NEW YORK—Surety Assn. of America, at a special meeting here voted to amend its constitution in order to assume rate making functions. Coincidentally, Towner Rating Bureau voted



Martin W. Lewis

to transfer its rate making functions to Surety Assn. As soon as practicable, all functions of the bureau will be merged with those of the association, but pending transfer of its existing licenses the bureau will continue to operate in those states in which it is licensed, while the association will seek licenses in those states in which the bureau is not now licensed.

The merger of the two organizations is designed to increase efficiency and to improve the services rendered. Its purpose is to bring the operations of Surety Assn. in line with the decision rendered in the S.E.U.A. case and with public law 15.

The present executive committee of Surety Assn. will continue to function as such in the enlarged organization.

Martin W. Lewis, president of Towner Rating Bureau, has been elected general manager of Surety Assn. Mr. Lewis has been associated with the Bureau since 1923. E. Vernon Roth and John L. Kirkwood have been elected secretaries. Mr. Roth has been secretary of Surety Assn. since 1940, and Mr. Kirkwood secretary of Towner Bureau since 1938.

The executive committee of Surety Assn. has appointed Elmer C. Anderson, John F. FitzGerald, Philip T. Morehouse and Peter A. Zimmerman as assistant secretaries, positions they previously held with their respective organizations. David Porter continues as educational director for the combined organization.

Surety Assn. was organized in 1908 to encourage the development of forms and coverages for fidelity, surety and forgery bonds; to provide a forum for the discussion of problems of common interest, and to formulate principles, standards and methods for the efficient operation of the business of corporate suretyship.

Towner Rating Bureau was formed in 1909 as a rating organization and was incorporated in 1938. Since its establishment it has operated as a rate making body for fidelity, surety, guaranty and forgery lines on a nationwide basis. It has been recognized by state supervisory authorities and federal agencies as the official rate making organization for a large segment of companies writing such coverages.

Recently New England Casualty, Ocean Accident, United National Indemnity, and Employers of Alabama were elected to membership, bringing the total to 50 companies.

The operating staffs of the association and the bureau have been continued within the new organization.

New Short Rate Table Gets Rid of Inconsistencies

**Marine, Auto, Casualty
National Uniform
Pattern Set Up**

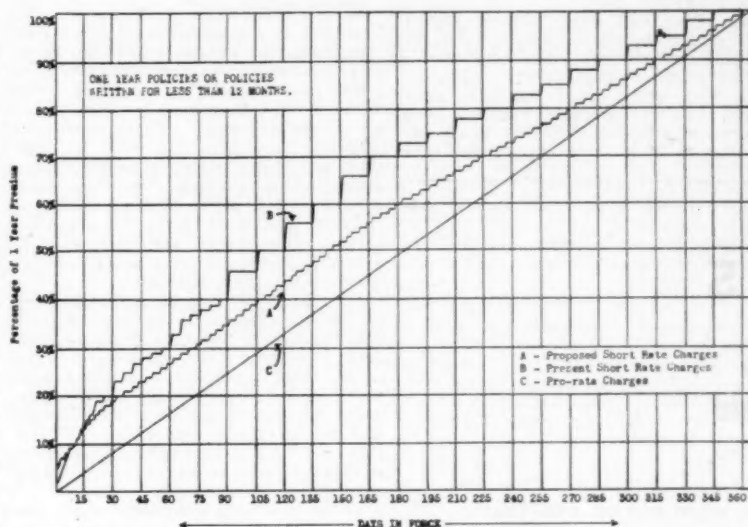
What is proposed as a national uniform short rate table for fire, casualty (except boiler and machinery), inland marine and automobile, is now being

months, decreasing thereafter until it disappears at the end of the year.

The short rate cancellation table for one year policies is constructed by application of these rules, with some rounding of the results in order to produce a smoother graduation:

—The short rate charge is equal to 5% plus .5% per day until the maximum penalty charge of 10% is attained at

GRAPHICAL COMPARISON OF PRESENT AND PROPOSED
SHORT RATE TABLES



introduced in the various jurisdictions. Agreement was reached on this program by National Bureau of Casualty Underwriters, Insurance Executives Assn., Inland Marine Underwriters Assn., National Council on Compensation Insurance, Towner Rating Bureau, and American Mutual Alliance.

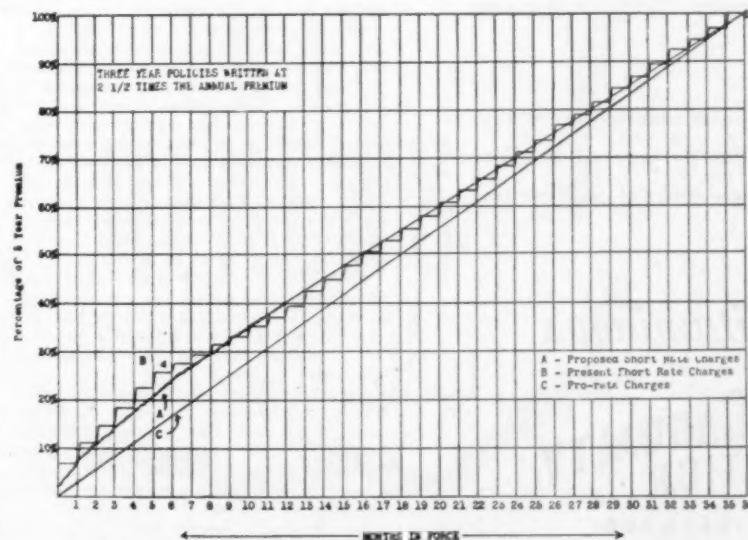
Credit for causing the study to be initiated that has eventuated in this program goes to National Assn. of Insur-

the 23rd day.

—The penalty charge of 10% is maintained from that point through six months.

—The penalty charge subsequent to six months is reduced pro rata so as to disappear at the end of the year.

For policies with a term greater than 12 months, a rule has been adopted rather than a specific table. This is done to remove the inconsistency in-



ance Agents. In the spring of 1946, N.A.I.A. requested that consideration be given to a revision of the short rate cancellation table. It criticized the current table among other things, on the ground that the penalty charge increases in amount through the first six months. This penalty charge, for example, in the casualty table has been 11.7% at the end of one month, 15% at the end of three months, and 20% at the end of six

months, decreasing thereafter until it disappears at the end of the year. The use of the rule that has been de-

(CONTINUED ON PAGE 20)

To Cover Named Insured Under B. I. and Medical

**Many Other Changes in
Latest Auto Policy
Revision**

The latest revisions in the uniform national standard automobile policy for both third party and physical damage lines, are now being submitted to the various states for approval and copies have been widely circulated throughout the industry. The revisions are dated Dec. 1, 1947.

Probably the most startling proposed change is the elimination of the exclusion of the named insured insofar as B.I. and medical payments are concerned. It will thus be possible for the assured to recover for injuries to himself under his own medical payments coverage and to recover for any legal redress that he may have. Some observers are critical of this liberalization, mainly on the ground that it may be more difficult to get the cooperation of the named insured in connection with adjustments. They say every injured named insured is now a potential claimant.

In the B.I. and P.D. insuring clause, the word "legally" has been inserted before the words "obligated to pay by reason of the liability..."

Also there has been inserted in the B.I. insuring clause the words "sickness and disease" along with bodily injury including death.

Pay for Dental Services

In the medical payments coverage, the expense of dental services is added.

In the old medical payments feature, there was a provision that the insurer was not bound to pay until after a year or until the amount to be paid exceeds the limit, whichever comes first. Under the proposed new form, the reference to such limit is deleted.

In connection with medical payments, coverage is provided where injury results from the "occupancy" of another automobile by the named insured or spouse. Thus, for instance, if the named insured slammed a door on the finger of someone in a car other than the one described in the policy, the injured person would be entitled to recover under the "occupant's" medical payments policy. This is excess cover.

Comprehensive Insuring Clause

In the comprehensive insuring clause, the wording has been changed so as to read: "to pay for any direct and accidental loss," instead of "to pay for any loss of or damage..." Thus, for instance, if the motorist broke the window of a car because the keys were locked inside, he would not be covered under the proposed new policy. Also it is doubtful whether cracks in glass due to age would be covered.

In the windstorm section there is an exclusion of loss "resulting from rain, snow or sleet." However, this exclusion is not found in the comprehensive insuring clause.

In connection with the use of other autos, the exclusion is removed of "injury to or death of any person who is the named insured."

As to newly acquired automobiles, there is in the old policy a separate section which provided that the limit of liability on the new car should be the same

(CONTINUED ON PAGE 20)

Could Ill. Dram Liability Embrace the Mortgagee?

W. K. Faust, superintendent of the Chicago claim division of Indemnity of North America, electrified a group of Chicago mortgage bankers by speculating that a mortgagee out of possession might some day be held by the courts to be liable under the Illinois dram shop act, because of ambiguous wording of the act. Mr. Faust made a clear point of the fact that no such case has ever reached the courts and that a mortgagee out of possession has never been held liable in a dram shop case. He did not suggest that the mortgagee out of possession take direct steps to cover himself against dram shop liability, but suggested that each lender make certain that his mortgagor and the lessee of the tavern space are adequately covered with dram liability.

The mortgagee should be as certain that the mortgagor is as adequately covered on all casualty lines, he declared. It is common practice for the mortgagee to check closely on the fire coverage of those who borrow from him, but there

is considerable laxness in surveying the casualty coverage. In a case of a fire or explosion the liability claims against the mortgagor may bankrupt him and thus the lender loses his collateral and all chance of having the mortgage paid. Mr. Faust called attention to the wording of the dram shop act, particularly that portion which makes liable for injuries arising out of the sale of liquor any persons "owning, renting, leasing, or permitting the occupation of any building or premises and having knowledge that alcoholic liquors are sold therein."

Mr. Faust Outlines Reasoning

Mr. Faust reasoned that the courts, whose attitudes have been notably liberal on dram shop cases, might construe the mortgagee out of possession as a lessor in a case where the mortgage contract contains a reservation of rent clause and there is a breach of contract with assignments of rents to the mortgage banker.

He added that even without breach of contract the courts might interpret the ambiguous word "permitting" as referring to the mortgagee out of possession, who, under most mortgage contracts, has considerable privilege and power and could conceivably block the installation of a dram shop within the

building. The speaker admitted he did not have the answer to the problem and was merely posing an open question.

Apparently a great number of Mr. Faust's hearers misinterpreted his comments and thought there were some cases in which the mortgagee out of possession had been held liable under the dram shop act. At least there has been quite a flurry around town with the mortgage bankers calling up their mortgagors and insurance brokers and the mortgagors seeking information on the subject. Anything in regard to the dram shop act is regarded with concern in Illinois where so far this year two cases litigated have reached \$45,000 and two more have been \$25,000 not counting numerous settlements out of court.

FPHA Insurance Unit Is Cut Back in Economy Move

WASHINGTON — Reduction by Congress in appropriations for the current fiscal year has resulted in cut-backs of federal public housing authority personnel and operations, including those of the FPHA insurance division headed by Earl Milkwick. Three insurance men have been dropped from his field staff, due to consolidation of FPHA regional insurance offices. Two have been let out of Mr. Milkwick's office—Lewis O'Brien, who went to the Maryland insurance department, and Herbert Liller, who joined the war assets administration insurance division.

Mr. Milkwick reports a big backlog of insurance work in connection with the emergency veterans housing program in which FPHA participates. That agency operates under a modified wartime joint comprehensive rating plan under which it pays insurance bills direct to insurance companies. FPHA also now pays contractors' insurance advisers direct, instead of reimbursing contractors for such payments.

There has been complaint about the slowness of FPHA in paying for insurance in some cases. Mr. Milkwick attributes this to failure of insurance companies and advisers to understand about the cut-back in funds and personnel to which the agency and particularly his office has been subjected.

Under the decision, said to have been reached by mutual consent between government officials and representatives of insurance interests, principally casualty, to stop use July 1, 1947, of the comprehensive rating plan for insurance in connection with government contract work in continental United States, it was understood that contracts to which the plan then applied would be allowed to work out to their conclusion under it. Under this arrangement, there are still some comprehensive rating plan jobs under the War and Navy departments, maritime commission and federal works agency. The plan will continue to apply, however, with relation to government construction contract work outside continental United States, including the rehabilitation project in Greece.

Harold R. Northrop of St. Louis, who handled federal works agency insurance matters for several years during the war period, having "worked himself out of a job", the insurance office of that agency has folded up.

Insurance work in connection with FWA construction contracts is being handled for each nine regional divisions into which the agency's organization and work is divided by the assistant engineer for construction of the respective divisions or regions.

Ploeser St. Louis Speaker

Insurance legislation of the 80th Congress was discussed by Representative Walter C. Ploeser of Missouri at the October meeting of the St. Louis Insured Members' Conference of Associated Industries of Missouri. Representative Ploeser dealt with his subject from the angle of laws already enacted and legislation pending on insurance matters when Congress reconvenes.

Zurich Life Plans Are Now Completed

Initial plans were completed last week for the organization of Zurich Life under New York law. This company will specialize in the writing of group life to complement existing Zurich facilities for writing group disability coverages. It will concentrate its activities in those states where Zurich General has developed strong group sales representation but where the life insurance companies with which Zurich has been cooperating for many years do not provide the life cover.

Zurich General has been writing group disability for many years and has developed a large volume of that business.

The need for additional facilities in handling group business, President Neville Pilling explains, is confined to a relatively small number of states. For that reason present plans are to enter Zurich Life only in New York and a few other states. Zurich General will continue its long-established policy of cooperating with life insurance carriers with which it is now affiliated in the writing of group business. However, the addition of a life insurance company to its fleet will give the Zurich organization an opportunity for better service on risks crossing state lines which sometimes involve special licensing requirements and other legal technicalities.

The present officers of Zurich General, Zurich Fire and American Guarantee have also been elected officers of Zurich Life. In addition C. C. Clarke has been named vice-president of the new company. He has been in charge of the Zurich group department for the past 10 years, having previously had many years of experience in the group life department of Sun Life of Canada, and he will be in charge of the expanded activities of the Zurich group organization.

The new company has a capital of \$700,000 and a surplus of \$350,000 and the entire stock is owned by Zurich General. The home office is located at 80 John street, New York, and the administrative office is at 135 South La Salle street, Chicago, where the headquarters of the other three companies are maintained.

Zurich has had especially close relationships with Sun Life which is not operating in New York.

Wis. Agents Confer with Cahill and Yaudes on New Rating Law

MILWAUKEE — James M. Cahill, secretary National Bureau of Casualty Underwriters, conferred with officers and members of the casualty company-agents relations committee of the Wisconsin Assn. of Insurance Agents, and the group then proceeded to Madison to confer with Lloyd Yaudes, chief casualty examiner of the Wisconsin department. The principal topic was the new Wisconsin casualty rating law, which becomes effective Jan. 1.

Discussion centered around the proposed methods of rate filing with the department under the new law. The act empowers the commissioner to review casualty rates filed by companies and determine if the rates are excessive, inadequate or discriminatory. W. C. Gottsacker, Sheboygan local agent, is chairman of the state association's committee on casualty company-agent relations.

Wins Direct Mail Award

Indemnity of North America was awarded top honors for the outstanding direct mail campaign in its field in the 1947 Direct Mail Advertising Assn. "Best of Industry" competition.

The winning entries were announced at the convention of the association at Cleveland.

BITUMINOUS Serves with assistance in the field

The kind of assistance you want... when you need it. That's what you get from Bituminous and its trained field specialists.

Bituminous Special Agents have a first-hand knowledge of your underwriting problems. They help with tricky risks and out-of-the-ordinary coverages, increase premium volume, build morale in your district, and personally assist at the point-of-sale. They "talk your language"—and consider your problems as their own.

In addition, Bituminous serves you in countless other ways... with its financial stability, good loss paying record, variety of lines, attractive commissions, and helpful underwriting policy.

Build with Bituminous

BITUMINOUS CASUALTY CORPORATION

ROCK ISLAND ILLINOIS

ASSETS OVER \$18,000,000

Specializing in: Workmen's Compensation... Comprehensive Liability... Public Liability... Property Damage... Comprehensive Personal Liability... Automobile Liability.

Nebraska Agents Approve Hiring Executive Secretary

OMAHA—Attaining the goal toward which they have been striving for several years, the Nebraska Assn. of Insurance Agents approved employment of a full-time secretary at the annual meeting. The agents meeting, which was devoted to business only, preceded the two-day institute.

George X. Smith, Lincoln, was elected president succeeding R. E. Stephens, Grand Island. Mr. Smith also was elected state national director, as is the custom in Nebraska. Charles W. Martin, Omaha, was elected first vice-president; M. A. Boettcher, Columbus, second vice-president, and Herbert Walt, Lincoln, secretary-treasurer. Vernon D. Ranney, the present secretary-treasurer, will continue duties until the permanent executive secretary can be employed. The title of secretary conferred upon Mr. Walt is somewhat of an honorary nature.

While not decided on the convention floor, it was generally thought that the office of the executive secretary would be in Lincoln, the capital, since during legislative sessions the executive secretary would be required to spend his time in Lincoln, could administer his office as efficiently as from Omaha, and avoid considerable expense. The duties of secretary were embodied in an article of the constitution.

Among other changes in the constitution was one pertaining to the collection of dues on the basis of 1% of the premium volume of the agency, with a minimum of \$10 and a maximum of \$250.

With agents remitting in this manner, it was thought ample funds would be available for the support of the executive secretary.

In his report at the opening of the session, President Stephens stated that he considered the Nebraska Association accomplished two outstanding objectives during the past year. One was the regional meetings throughout the state and the other the opposition to the all-industry bills as they were introduced into the Nebraska legislature.

Regional meetings were held in lieu of a mid-year meeting at Falls City, Norfolk, Hastings and Alliance. A total of 200 agents attended them.

The registered attendance of more than 200 started an insurance course known as Nebraska Fire and Casualty Institute. This institute was jointly sponsored by the school of adult education of the University of Omaha, and the Nebraska association, the Assn. of Insurance Agents of Omaha, the Nebraska Fire Underwriters Assn. and the Nebraska State Fire Prevention Assn. It is thought to be the only school of its kind ever attempted in the industry.

The 1948 annual meeting will be held in Lincoln.

H. J. Hansen Is in Charge

The new Pacific coast underwriting department of Travelers Fire at the Hartford head office will be headed by Harold J. Hansen. He was recently named assistant secretary of the Pacific coast underwriting department.

The fire underwriting operations on the coast are being moved from San Francisco to Hartford about Jan. 1. Most of the coast employees will be absorbed by other departments of Travelers' west coast operations.

Income Indemnity Doesn't Reduce Hospital Tax Credit

WASHINGTON—Where a taxpayer receives payments under accident insurance contracts, designated in part as indemnity for disability and in part as indemnity for hospitalization, etc., the tax court has held that the taxpayer's medical expense was "compensated for by insurance," within the meaning of section 23 (x), internal revenue code, only to the extent that he received insurance payments specifically designated as indemnity for hospitalization, etc.

The decision was in the case of Robert O. Deming, Jr., vs. Internal Revenue Commissioner, which involved a portion of an alleged deficiency of \$143.13 in income and victory tax for 1943. The question was whether the commissioner erred in disallowing as a deduction the entire amount claimed for medical expenses during 1942, \$1,250.

At the time he was hit by an automobile, Deming carried standard form accident policies in three companies. He was paid during 1942 a total of \$7,011 by Hartford Accident, Midwestern Casualty and Sterling, including \$851 hospitalization, etc., and \$6,160 weekly disability. The commissioner disallowed deduction claimed in view of the \$7,011 received.

Deming conceded his medical expense for 1942 was compensated for by insurance by \$851 received on account of hospitalization, etc. The tax court holds that amount represents the full extent to which he received compensation

through "insurance or otherwise" for his expenses "for medical care." It also held that \$1,266 of Deming's 1942 expenses for medical care was not so compensated for, and that the commissioner erred in not allowing a deduction therefor computed in amount as limited under paragraphs 1 or 2 of section 23 (x).

Independent Insurers Plan for Chicago Annual Rally

Arrangements are now being perfected for the annual meeting of National Assn. of Independent Insurers at the Drake Hotel, Chicago, Nov. 20-21. A cocktail party and banquet will be held Nov. 20. George Casey, vice-president of Motor Vehicle Casualty, is chairman of the program committee. Adlai Rust, State Farm Mutual Automobile, is president.

Independents to Form Michigan Rating Bureau

A call has gone out to independent casualty insurers in Michigan for a meeting at Hotel Olds, Lansing, Oct. 30 to form Michigan Rating Bureau. The proposed by-laws are identical to those of the casualty rating bureau for Illinois that was recently set up by a group of independent insurers.

Mich. Field Man Missing

LANSING, MICH.—Aid of the Michigan state police has been asked by officials of Auto-Owners to locate C. V. Carlson, veteran special agent of the company, who has been missing since Oct. 20 when he left his rooming-house at Battle Creek, ostensibly to visit the home office here and then go on to Detroit.

the insurance industry in this attitude. Invitations were sent to the Board of Fire Underwriters, Association of Casualty and Surety, American Mutual Alliance, Association of Insurance Brokers, National Association of Insurance Commissioners, and the National Association of Insurance Underwriters. These organizations each have representatives who met with the Committee in 1941.

Sub-committees were appointed to plan a program of education comparable to that of the American College of Life Underwriters. The ultimate result of the incorporation of the American College of Life Underwriters, Inc., a non-profit organization, is expected by 1942.

While the dean of the Institute, Harvey J. Loman, is one of the leading insurance educators, the Institute does not conduct educational classes. It is a professional organization that properly qualified underwriters are recognized with a professional education, it establishes educational standards and encourages and fosters the training of insurance students in educational institutions and in properly qualified groups. The Institute has also prepared a wide reading list and gathered material

must require in its practitioners of ethics and

SERVICE THAT RENEWS COAST-TO-COAST

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PACIFIC EMPLOYERS INSURANCE COMPANY

VICTOR MONTGOMERY, PRESIDENT
HOME OFFICE • • • LOS ANGELES



CHANGES IN CASUALTY FIELD

A. Reid Johnson New Amsterdam Agency Chief

A. Reid Johnson has been appointed superintendent of agents of New Amsterdam Casualty with Louis J. Biemiller and Alvin E. Leroy as assistant superintendents.

Mr. Johnson has had wide experience in casualty underwriting, Mr. Leroy in fidelity and surety underwriting and Mr. Biemiller in claim administration.

Julian B. Davis, Jr., has been appointed assistant superintendent of the public official department and Vernon

N. Mercier manager of the judicial department.

Mr. Johnson takes over the responsibilities of the late Elmer Due. He has been with New Amsterdam more than a year. Before the war he was with Maryland Casualty at the home office and New York and then after serving in the war with Pennsylvania Casualty for a short time.

Tompkins Brooklyn Head

J. Edward Tompkins, Jr., has been appointed Brooklyn manager of Indemnity of North America, succeeding William A. Barnett. The latter was recently transferred to the New York office. Mr. Tompkins graduated at Colgate and joined Indemnity of North

America in 1937. He served during the war in the air forces.

Md. Casualty Names Guy Smith Chicago Claim Head

G. A. Olson has resigned as Chicago claim manager of Maryland Casualty, and he is being succeeded by Guy Smith. The new manager has been with Maryland about 18 years, starting as an adjuster in Texas, later becoming Denver claim manager, and more recently he has been head of the Oklahoma City claim department. He is a law graduate of University of Texas.

Mr. Olson has been with Maryland at Chicago 35 years, having started as an office boy, and had been the manager of the claim department since 1938. He has not yet announced his future plans.

Archer Advanced on Coast

John H. Archer, who has been manager of the Los Angeles claims department for Swett & Crawford, has been appointed claims manager for all Swett & Crawford operations. Mr. Archer, who has been in the legal end of the business for the past 13 years, succeeds Julius J. Berg, who recently retired.

Arthur W. See, formerly in charge of claims operations in Illinois for Trinity Universal, has succeeded Mr. Archer as manager of the Los Angeles claims department. Wayland G. Franklin, a member of the Swett & Crawford staff for the past 11 years, has been appointed superintendent of the compensation division.

Swett & Crawford are Pacific Coast underwriting managers of Pacific Indemnity.

Traffic Director Resigns

Henry K. Evans has resigned as director of traffic engineering for National Conservation Bureau. Mr. Evans will move to San Francisco Nov. 1 to represent De Leuw & Cather, Chicago consulting engineers.

J. A. Carrothers, who has been assistant to Mr. Evans, will become acting director. Mr. Carrothers joined the staff in 1946.

Miss Newendorb to Denver

Alice Newendorb of the home office underwriting department of Hawkeye Casualty has been named head of the automobile division at Denver. Gladys Shepherd will take over her duties at Des Moines.

COMPANIES

New Casualty Company Is Organized at Atlanta

ATLANTA — Casualty & Surety, termed "Georgia's first home owned casualty company," has been organized under the sponsorship of D. D. Dominey and J. Austin Dilbeck, local agents here. It will have \$300,000 capital and plans to begin operation with the new year. About 30 leading Georgians, many of them prominent insurance men, are among the founders. They elected Messrs. Dominey and Dilbeck as trustees, pending completion of charter. John A. Dunaway, Atlanta, was named general counsel. Practically all the stock has already been subscribed.

Commissioner Cravey, a guest at the organization meeting, welcomed the company into the field and emphasized the importance of casualty and surety organizations. While there are several Georgia life companies, he said this is the first one in the casualty field, home owned.

Nat'l A. & C. to Write Fire

LOS ANGELES—National Automobile & Casualty has applied to the California department for an amendment to its certificate of authority to add fire insurance to the lines already written.

Court Bond Popular Treatise

Court and fiduciary bonds and the part they play in the daily routine work of the courts are the theme of a 36-page booklet just published by Surety Assn. of America, entitled "The Surety Bond in Court Proceedings."

The booklet outlines the duties of fiduciaries in connection with decedents' estates, legal disability, and insolvency proceedings, as well as the various types of fiduciary bonds required in the discharge of those functions. It defines the purposes and uses of court bonds in all forms of litigation, while a third section deals with the advantages of the corporate surety bond over personal suretyship in court proceedings. Facsimiles of typical bond forms illustrate the text.

The foreword was written by William F. Waugh, judge of the probate court of Cook county, Ill., who stresses the ability of corporate sureties and the inadequacies of personal sureties in assuming such risks.

"The surety companies of America," Judge Waugh adds, "have performed a valuable and needed service in our probate courts, aside from a purely loss-absorbing function, by assisting the court in supervising probate estates. This supervision has unquestionably saved many estates from improper administration to the benefit of the beneficiaries and wards."

The booklet is being distributed chiefly to members of the legal profession and to law students.

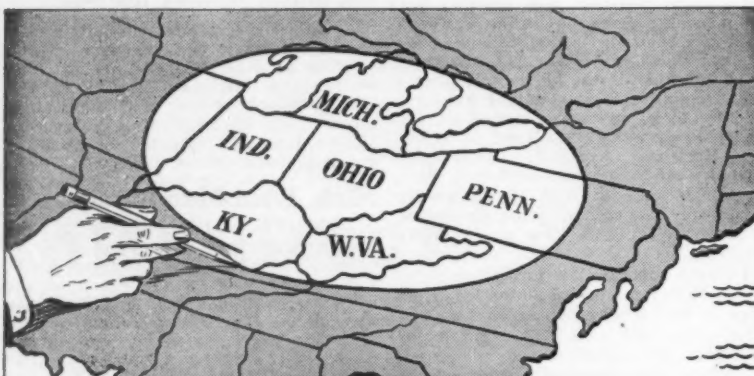
SURETY

Huge Chicago Bond in Sight

One of the biggest contract bonds ever written in the Chicago area is in prospect of being completed shortly. It will cover construction of 5.6 miles of Chicago's south side interceptor sewer for Sanitary District of Chicago.

The only bid received was that of a joint venture of S. A. Healy Co., and Peter Kiewit Sons Co., for \$22,631,860. This was \$500,000 below the Healy figure at the September letting for the same job. The sanitary board will make its decision Nov. 6. The board is said to be disappointed that a bid of less than \$22 million was not received.

It is assumed that Maryland Casualty



SALES HELPS that really help sell

Planned promotions on every type of casualty insurance makes a well rounded sales program easy for Buckeye Union agents. Personal contacts help build local reputations and up-to-date sales helps get new business. Your inquiry will also receive individual attention.

**AUTOMOBILE
PLATE GLASS
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THE BUCKEYE UNION CASUALTY CO.
HOME OFFICE COLUMBUS 16, OHIO
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ALL AUDITS OF EXPOSURE FOR CASUALTY INSURANCE CARRIERS

Home Office
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Service Offices
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ST. LOUIS, MISSOURI

AUDITS SINCE 1928
IOWA, MINNESOTA, DAKOTAS,
NEBRASKA, MISSOURI, ILLINOIS,
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FOR OVER TWENTY YEARS WE HAVE SPECIALIZED IN MAKING COMPLETE AUDITS

COULD YOU GROW TO BE AN AGENCY DIRECTOR?

We want a man whose life, H & A and hospitalization experience make him qualified to talk authoritatively to general agents and direct-writing men... one whose personality sparks enthusiasm and confidence... who can command respect from the big fellow as well as the little... who can talk to the small-town as well as the big-city man.

The man we want may now be an assistant agency director, a unit manager, a general or special agent, or a personal producer—he will look upon this as the greatest opportunity of his career, will be eager to dig right in to prove his ability. He will be pointing every effort to becoming the Agency Director of our newly organized and rapidly expanding agency development.

If you're that man, write today giving full details.

**L. A. Breskin, President
STERLING INSURANCE COMPANY**
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will be the originating company on the bond since the Healy Company is generally a client of Maryland Casualty.

The contract bond will be a combination performance and payment instrument in 50% of the contract price plus a provision relieving the sanitary district of any property damage liability, irrespective of cause.

No bid bonds were required but two checks of \$500,000 were offered.

Schemeacker Heads Surety Underwriters' Slate

M. J. Schemeacker, resident vice-president of Standard Accident, who has been acting president of the Surety Underwriters Assn. of Chicago since the resignation of Ellis P. Schmidt, who is now with Continental Casualty on the Pacific Coast, has been nominated for president for the forthcoming association year. The election will be at the annual meeting in November at the La Salle hotel.

Others on the nominating committee's slate, reported at a luncheon meeting last week, are: For vice-president, R. F. Munsell, Ocean Accident; secretary, Robert Hubner, Great American Indemnity; treasurer, Lester V. Beckway, Maryland Casualty.

W. H. Hansmann, Fidelity & Deposit; W. O. Schilling, U. S. F. & G.; Palmer O. Olstad, Continental Casualty; Ward Hilton, Hartford Accident; Edmond Madden, Maryland Casualty; J. J. Woodmansee, Century Indemnity, and A. A. Korte, F. & C., were nominated for the executive committee.

Collector's Bond Opinion

L. E. Williams, Hartford Accident, secretary, read an opinion of the Illinois attorney general on an amendment to the Illinois statutes relating to bonding of county collectors. The amendment, SB-383, had seemed indefinite as to term of the bond. The attorney general said the purpose of the amendment was to do away with the requirement that a county collector give a bond annually. At the expiration of his present bond, the collector should now give one for the balance of his unexpired term. This will apply in all Illinois counties except Cook.

Mr. Schemeacker appointed a committee consisting of E. J. Moroney, U. S. F. & G., Edmond Madden and McClung Smith, Travelers, to comment on the new booklet of Surety Assn. of America, "The Surety Bond in Court Proceedings."

It was strongly urged by Mr. Schemeacker that the association revise its by-laws to conform with the situation under P.L. 13. Mr. Korte, Harold Gee, Loyalty group, and John J. Phelan, Maryland Casualty, will report on a new constitution at the annual meeting.

Cal. Aqueduct Bids Opened

OAKLAND, CAL.—Low bidders on various schedules for supplying and laying 47 miles of pipe on the Mokelumne aqueduct were: Western Pipe & Steel Co., of San Francisco, \$4,093,000, bond to be written by Fidelity & Deposit; United Concrete Pipe Corp., Los Angeles, pipe \$3,356,000, Maryland Casualty; P. & J. Artukovich, Los Angeles, \$1,095,000, Great American Indemnity. Payment and performance bonds of 50% each will be requested.

Tacoma Club Hears Talks

The Tacoma Blanket Club, young men's insurance organization, opened its fall meeting season with the first of four talks on suretyship by Gerald L. Perry, Hartford Accident, Seattle, who spoke on "Introduction to the Surety Business." At a dinner meeting, Glen Liston, Frazier & Co., spoke on "Fidelity Bonds, Including Public Official and Forgery." Victor Browning, Massachusetts Bonding, spoke on "Contract Bonds" Tuesday and James McKay, Fireman's Fund Indemnity, will wind up the series Nov. 4 with a talk on "Court Bonds."

Hear Discussion of U. S. Health Bills

After selecting a nominating committee for the election of officers at the Nov. 13 meeting, the Accident & Health Club of New York heard Bess Furman of the Washington bureau of the New York "Times."

"Probably nothing will be done about the compulsory health insurance programs now under consideration by Congress until after the next Presidential election," she said. The challenge to the accident and health business is to meet and defeat the competition of socialized programs by offering better and more complete coverage.

The health bills now before Congress are at the moment straight partisan politics and consequently fraught with bitterness and confusion, she stated. The situation is unique because most bills affecting the general welfare are bipartisan, with sponsors from both parties. She did not take sides on the question and showed exhibits presenting both arguments.

Has Truman Backing

In her outline of the political implications of the problem she said that President Truman, who in her opinion will be the next Democratic candidate for President, is sponsoring the Murray-Wagner bill, which would set up pay-deduction compulsory health insurance for the working population and as an aid to the indigent. This is a measure President Truman inherited from President Roosevelt but to which he gives strong personal backing.

Senator Taft is sponsoring a health bill which would set up federal funds only for the medically-indigent. Witnesses in behalf of this program lay great stress on the spread of voluntary health insurance plans, she said.

Public Sold on Idea

"It is apparent that great blocks of public opinion have been completely sold on health insurance as the way in which the American family can be seen through long and costly illnesses," she said in stressing the growing importance of the measures. The war fostered increased attention on health insurance because of the governmental and charitable organizations which took care of servicemen's families.

The group then heard a description of the five-year \$375 million hospital construction act. The first \$75 million will be spent this fiscal year, and a like amount for each of the next four years, on the basis of a carefully compiled survey of hospital needs in all the states. By the time the hospitals are built, six or seven years from now, she said the country would be right up against the question of how to pay the bills for treating children with rheumatic fever, the No. 1 child-killer at grade school age, and for operations and radium treatments for old people with cancer, the No. 2 cause of death when the whole life range is considered, as well as the many other long term and expensive illness hazards from other diseases.

Five Fundamental Agreements

She concurred with the five fundamentals put before last year's hearings on health legislation by Watson B. Miller, former federal security administrator, and on which there seems to be general agreement, that the people as a whole have recognized a federal interest, to be backed by federal finances in the health of each person in the country; have agreed upon the necessity for broadening the availability of medical care and health services; have accepted the wisdom of overcoming shortages of personnel and facilities as rapidly as possible; have asserted the wisdom and necessity of adopting some pre-payment method of meeting the costs of medical care, and have agreed upon the wisdom and necessity of decentralizing the administration of any health program.



And every good agent has several casualty companies in his office that also write bonds after a fashion. Still, if you don't represent the Western Surety Company you are not equipped to know the easier way to handle bonds.

We have taken the red tape out of the bonding business; we recognize no competitor in the many innovations which we have adopted for the agents' convenience; among the many features we have to offer are:

Competitive rates — a handy rate manual (you have never seen one like it!) — order blanks in place of applications for preferred business — streamlined application blanks (as short as we can make them) — bond forms in pads — executed padded bonds for most frequently used bonds, such as notary, beer, liquor, etc. (use like insurance policies) — the most attractive agency and notary signs — a handy kit of supplies (not bulky).

It will cost you nothing to have our representative call and show you how we have improved upon the old fashioned method used by most companies. We will appreciate an invitation to call.

WESTERN SURETY COMPANY

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ACCIDENT AND HEALTH

National Assn. Officials at Pittsburgh Congress

The eastern trip of a group of officials of the National Assn. of Accident & Health Underwriters, including G. H. Knight, president; C. B. Stumpf, second vice-president, and O. J. Breidenbaugh, executive secretary, was concluded at the sales congress sponsored by the Pittsburgh association Oct. 24, with about 300 in attendance. Charles H. Bokman, New Amsterdam Casualty, presided at the congress.

Mr. Stumpf and Mr. Breidenbaugh spoke at the afternoon session and there was a sales demonstration on "Handling Objections" by W. R. Wilson, Greensburg, Pa., and "Dick" Mueller, Pittsburgh, both of Monarch Life. There were discussions after each talk.

Gene Boyle, Mutual Benefit Health & Accident, president of Pittsburgh association, presided at the banquet, the speakers being Mr. Knight and Commissioner Malone of Pennsylvania, who emphasized the far-reaching operations of the accident and health business and pointed out that with this goes a respon-

sibility which the business must accept. He said private enterprise will continue just as long as those engaged in private enterprise demonstrate that it should be continued.

Denver 5-Star Program

A 5-star program has been arranged for the sales congress at Denver, Nov. 7, sponsored by the Colorado Assn. of Accident & Health Underwriters. Speakers for the afternoon session will include Gilbert H. Knight, National association president; R. J. Costigan, Business Men's Assurance, Kansas City, past president; O. J. Breidenbaugh, executive secretary; Charles B. Roth, author and lecturer on selling and closing sales, and Carter H. Bryant, Denver general agent of Pacific Mutual Life.

A dinner will follow the regular congress session.

Hazard of Tuberculosis

The question of what should be done about writing health insurance on risks with a history of tuberculosis was discussed at the October dinner meeting

of the home office accident and health underwriters round table at Chicago, with 19 in attendance. H. L. Cashman, Federal Life, was chairman and Jay Simon, American Income, secretary.

While there are great differences in individual company practices, the consensus seemed to be that policies can be issued with waiver, from five to 10 years after recovery. Some will issue without waiver for risks 50-55, where there is less prospect of recurrence. One factor to be considered is how long the risk has been confined by tuberculosis. In an incipient case, with removal to a better climate, companies would be more lenient. It was pointed out that an accident might bring back an arrested case. Figures were given on the percentage of recurrences, showing, according to the latest tabulation available, 130 to 1,000.

On the question of how the waiver should be worded, the wording generally favored is "tuberculosis in any form," while some prefer to include the entire respiratory tract.

There was some discussion of the possible confusion between tuberculosis and osteomyelitis, and also pneumo-thorax cases, involving collapse of a lung. Where it is caused by injury and not the result of tuberculosis, such cases are considered acceptable. In case of recurrence of tuberculosis, it was brought out that there is no telling where it may make its appearance.

Gordon Addresses Lawyers

Harold R. Gordon, managing director of Health & Accident Underwriters Conference, summarized accident and health legislation of the past year for a meeting of the insurance section of Chicago Bar Assn. He stressed particularly his organization's interpretation of the compromise A.&H. regulation bill as a policing measure rather than a rating bill.

Bennett to Combined Group

William Bennett, formerly with Federal Life & Casualty, has gone with Combined Insurance and Combined Mutual Casualty of Chicago as underwriter in the disability department. He was a radio operator with General Patton's tank forces in the Normandy invasion, and returned to become a GI trainee in insurance.

Lane St. Louis Speaker

Carl Lane, assistant manager of Reliance Life, discussed "The Use of Health and Accident in the Field of Business Insurance" at a luncheon meeting of the Accident & Health Underwriters Assn. of St. Louis.

Convention Date Set

The headquarters of the National Assn. of Accident & Health Underwriters has announced that the date for the 1948 annual convention in Minneapolis will be June 28-30.

the owner or operator of an automobile did not make the report required by the act, for he held the wording is ambiguous on that point. He also discussed the matter of suspension of licenses.

Ask R. I. "Comp" Changes

At the first hearing at Providence of the special commission appointed by Governor Pastore of Rhode Island to overhaul the workmen's compensation law, E. F. Walker of Rhode Island Textile Assn. said the present cumbersome administrative machinery costs employers more than \$1 million a year. He suggested substitution of a single competent administrator, adequately paid, or a three-man commission to handle claims in place of the present system in which the state director of labor is administrator, prosecutor and judge. Attorney S. B. Horowitz of Massachusetts Federation of Labor argued for a state fund.

Bar University Coverage

OKLAHOMA CITY—The University of Oklahoma may not use public funds allocated to it for its general maintenance to insure employees against risks incident to their employment, either in the state fund or with any insurer, the attorney general's office holds. It also was held that funds derived from fees, sales and service can not be used to insure workers against accidental injury through group insurance and that the university has no authority to collect fees from students enrolled in flight training courses to purchase group insurance.

WANT ADS

AVAILABLE

A-1 Casualty Adjuster. 20 years experience of which 8 is supervisory. Employed but seeking change. Prefer mid-west territory but will consider elsewhere. Top references. Also full knowledge of inland marine and fire claims. Address N-69, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Wanted by Denver Branch Office of progressive Casualty Company. Staff Adjuster for Automobile and Casualty claims. Give details regarding education, experience, personal qualifications and salary desired. Address N-67, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CASUALTY AND AUTOMOBILE UNDERWRITER. Small agency doing a general type of direct and brokerage business wants man or woman to handle combination casualty and automobile desk. Good opportunity for right person who can talk to and sell companies as well as the buyers. State fully your qualifications and starting salary. Address N-73, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIRE PREVENTION ENGINEER

Nationally known fire insurance company will hire a fire prevention engineer for Ohio territory. Fire prevention experience preferred. Auto necessary. Will train. Write giving complete personal details, education, experience, and phone number. Our employees know of this ad. Address N-71, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE

Claim Supervisor or Examiner or Investigator or Adjuster Casualty Claims—middle aged man with 23 years experience of investigation, adjustment and supervision, desires a Chicago connection. With one company over 17 years. At present employed. Best references. Address N-55, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Outside representative large mutual casualty company desires position similar capacity stock company. Employed at present. Age 35, married. Experience, Fire (10 years) and Casualty (5 years). Excellent references. Available to work any part of country. Address N-77, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

25 Good Reasons Why "Combined" is the Deal of Today and Tomorrow

1. A "Selective" Hospital Expense policy that covers your policyholders for 90 days, 100 days, or 365 days a year for any one cause, with \$25, \$50, and \$100 incidental expenses respectively includes Maternity, Emergency Accident Expense and 15 days Grace Period.
2. The same policy rated for Family Group.
3. SURGICAL CARE, either \$150 or \$250 maximum can be added by rider.
4. MEDICAL CARE, covering non-operative medical treatment at home, in the hospital, or in the doctor's office, can be added by rider.
5. POLIOMYELITIS coverage, providing excess costs of medical care for "Infantile Paralysis" up to \$1,000 or \$2,000 can be added by rider.
6. LOSS OF TIME . . . INCOME PROTECTION . . . either occupational or non-occupational . . . can be added by rider.
7. Income policies that provide the protection your prospects need without "frills" . . . if your prospects want Death and Dismemberment, and Hospital Expense coverage, they can be added to the basic Income policies by rider.
8. A Lifetime Income policy that meets all of your prospects' requirements.
9. A "Modern Five and Five" . . . five years sickness and five years accident coverage . . . to meet the demands of price-buyers.
10. A "Special" Income policy, especially designed for senior ages and housewives, that provides 5 years accident and 12 months sickness indemnity.
11. An "Employees Non-Occupational" policy.
12. A "Paymaster" policy . . . providing 2 years accident and 1 year sickness indemnity . . . also designed for Franchise selling.
13. A "Civil Employees" especially designed for municipal, county, state and federal employees.
14. MATERNITY coverage included in every income policy, because every income policy is rated for women prospects.
15. Accidental Death and Dismemberment can be added to any Income policy by rider.
16. Hospital Expense Protection can be added to any Income policy by rider.
17. Surgical Care can be added to any Income policy by rider.
18. Medical Care can be added to any Income policy by rider.
19. Poliomyelitis (Infantile Paralysis) coverage can be added to any Income policy by rider.
20. Non-Confining sickness benefits can be extended to 3 months full rate by rider.
21. Non-Confining sickness benefits can be extended to 12 months half rate by rider.
22. Non-Confining sickness benefits can be extended to 12 months full rate by rider.
23. All "Combined" Income Protection and Selective Hospital Expense policies have a 15 day Grace Period.
24. All "Combined" Income Protection and Selective Hospital Expense policies are especially rated for franchise cases.
25. "Combined" offers the deal of "today and tomorrow" because "Combined" policies are designed to meet the requirements of the protection-purchasing public . . . in rates . . . in coverage . . . in claim-paying reputation. "Combined" agents are better satisfied because they can offer better protection for less money, and at higher commission rates. A few excellent territories still are available.



W. CLEMENT STONE, President

1886—OVER A HALF CENTURY OF SERVICE—1947

The North American Accident Insurance Co.

209 So. LaSalle St., Chicago, Illinois

We write every practical form of Life, Accident, Health, Hospitalization and Medical Expense Insurance.

District Managers and Representatives WANTED

Geo. F. Manzmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

Goodmanson Heads Cal. A. & H. Assn.

U.C.D. Administrator Says Private Plans' Coverage Better Than State's

LOS ANGELES — New officers elected by the California Assn. of A. & H. Managers Clubs at its annual



MARSHALL GOODMANSON

meeting here are: President, Marshall Goodmanson, Provident Life & Accident; vice-president, Robert R. Smith, Great Northern Life; secretary-treasurer, John H. Casanave, Hartford Accident, all of San Francisco. It is the custom to name the officers from the city where the next convention is to be held.

The two big topics were the operation of the unemployment disability compensation plan in California and the training courses for new agents that will be required after July 1, 1948, under an act adopted by the 1947 legislature. Walter E. Mast, Continental Casualty, Los Angeles, retiring state association president, discussed the latter topic and appointed a committee to cooperate with other organizations in preparing a course that will prove acceptable to the insurance commissioner, the committee consisting of S. F. Battleson and Marshall Goodmanson, San Francisco; Ray Scofield, D. C. MacEwen and Robert Kelly, Los Angeles.

State Welcomes Competition: Merrick

"Pat" Merrick, secretary California employment stabilization commission, reviewed the changes in the unemployment compensation disability act and its effect on companies and producers. He said that there are now 8,250 voluntary plans approved by the commission covering 640,000 workers and that these plans equal about 25% of all workers covered by U.C.D. He declared that private plans can "beat the Dutch out of government," and that the private carriers will go ahead and write more and larger cases. He said the state welcomes competition. He said a number of other states do not allow private competition with the state, but declared the California plan is better.

While benefits have been increased and the duration has been increased, he held that the private plan for length of benefits is better than the state's. He said the department will make it as easy as possible to make the change to comply with the new law and will give notice of the steps necessary to qualify after Jan. 1. Mentioning that social security administration opposed some of the changes, he declared the federal ad-

ministration should not meddle too much with the California plan.

He said all voluntary plans now are on a group basis, but the department envisages the time when the plans will be on more of an individual basis, and it will approve such plans if they meet all requirements otherwise. He said that it encourages private plans to take business away from the state.

Can Private Industry Compete?

Byron D. Williams, Connecticut General Life, taking the same subject, raised the question whether private industry can compete with the state. He believes the commission and employees in the disability department try to be fair to all interested parties, management, insurers and labor, but that labor always is on the job to make certain of its position. He mentioned the effort of labor to have the maximum benefit increased to \$30 per week and said the \$25 fixed by the law was the result of a deal.

He said most insurers are going into 1948 determined to compete with the state, but that labor is determined to get as much as possible in additional benefits from the enormous fund available. "We in California must show the rest of the nation that private industry can compete with the state," he declared. "If we succeed, other states will use our system as a pattern."

A. T. Danielson, vice-president Barker Bros., Los Angeles, spoke on "Let's Talk Sales." He said that while the U. S. is going to set a new sales record, "we must develop new techniques, must develop a sense of regard for what we are selling, must quit talking depression and talk sales; for sellers are the only ones who can put over any program."

What Agent Owes Business

At the afternoon session, Walter McKee, Connecticut General, president Los Angeles Accident & Health Underwriters Assn., speaking on "What Do We Owe Our Business," likened accident and health men and women to doctors, and said they must share their methods just as the doctors do. The buyer must know what he is buying. "We must never sell a 'trick' policy. Do not oversell or undersell a client. Treat your clients justly but see that your company is not cheated. We should belong to and support our national, state and local associations. Our help is needed to combat crack-pot legislation. We must strive to have a voice and power in all legislatures."

George W. Kemper, Fireman's Fund Indemnity, president Health & Accident Underwriters Conference, gave a

brief review of the conference and its activities and the topics taken up by the N.A.I.A. accident and health committee at the meeting it held recently in Chicago.

H. R. Van Cleve, Massachusetts Mutual Life, talking on "Are You an Executive?" said there are four things that all successful men have in common—a

keen desire to succeed, liking people, desire to become a good executive, and time. He said the reason most men fail is that they have a one-man store and carry on all departmental work themselves. To build prestige, he said, one must see the right kind of people. He declared that ability to change plans shows executive ability.

New Short Rate Table Introduced

(CONTINUED ON PAGE 23)

vised will also obviate the necessity of establishing a special procedure for policy terms other than three years, but in excess of one year.

The rule for short rate cancellation for policies with a term greater than 12 months is:

1. Determine full annual premium as for a policy written for a term of one year.
2. Deduct such premium from the full policy premium, and on the remainder, calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the policy has been in force to the length of time beyond one year for which the policy was originally written.
3. Add premium produced in accordance with items 1 and 2 to obtain earned premium during full period policy has been in force.

Example Is Shown

As an example, assume a policy with annual premium of \$70 written for three years at $2\frac{1}{2}$ times annual premium, or \$175. The policy is cancelled after it is in force 495 days.

1. Full policy premium for three years, \$175.
2. Full premium for one year, \$70.
3. Difference between full policy premium and annual premium, \$105.
4. Length of time beyond one year for which the policy was originally written (1095 minus 365) 730 days.
5. Length of time policy in force beyond one year (495 minus 365) 130 days.
6. Pro rata earned premium on the portion beyond one year. $[(5) \div (4)] \times (3) = \18.70 .
7. Earned premium to be charged (2) plus (6) \$88.70.

Herewith is shown the short rate table for one year:

Days	Charge	Days	Charge	Days	Charge
1-5	95-98 37	219-223	69		
6-10	99-102 38	224-228	70		
11-15	103-108 39	229-232	71		
16-20	106-109 40	233-237	72		
21-25	110-113 41	238-241	73		
26-30	114-116 42	242-246	74		

Days	Charge	Days	Charge	Days	Charge
11-12	11	117-120	43	247-250	75
13-14	12	121-124	44	251-255	76
15-16	13	125-127	45	256-260	77
17-18	14	128-131	46	261-264	78
19-20	15	132-135	47	265-269	79
21-22	16	136-138	48	270-273	80
23-25	17	139-142	49	274-278	81
26-29	18	143-146	50	279-282	82
30-32	19	147-149	51	283-287	83
33-36	20	150-153	52	288-291	84
37-40	21	154-156	53	292-296	85
41-43	22	157-160	54	297-301	86
44-47	23	161-164	55	302-305	87
48-51	24	165-167	56	306-310	88
52-54	25	168-171	57	311-314	89
55-58	26	172-175	58	315-319	90
59-62	27	176-178	59	320-323	91
63-65	28	179-182	60	324-328	92
66-69	29	183-187	61	329-332	93
70-73	30	188-191	62	333-337	94
74-76	31	192-196	63	338-342	95
77-80	32	197-200	64	343-346	96
81-83	33	201-205	65	347-351	97
84-87	34	206-209	66	352-355	98
88-91	35	210-214	67	356-360	99
92-94	36	215-218	68	361-365	100

To Cover Named Insured Under B. I. and Medical

(CONTINUED FROM PAGE 23)

as on the old car. Now there is no reference to such limit of liability and some underwriters have misgivings on this point. They theorize that a person with, say, \$10/20,000 limits might get a new car and before the 30-day period is up become involved in an accident of serious proportions and thereupon apply for much higher limits to govern retroactively.

Domestic Employees Excluded

In connection with B.I. and medical payments, domestic employees are now excluded when they are covered under workmen's compensation.

The wording has been changed in outlining the coverage on utility trailers, but there seems to be no substantive change. The intent is to provide coverage if the trailer is designed for use with a passenger car, if it is actually being used with a private passenger car, and if it is not a home, office, store, display or passenger trailer.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Minn. Buyers Suggest Forming Fire Reinsurer Through Government Loans

MINNEAPOLIS—A suggestion that fire companies get together and form a large reinsurance company with funds borrowed from the federal government was made at the October meeting of the Insurance Buyers Assn. of Minnesota during a discussion of the problem now facing the companies in absorbing all the business offered them.

The buyers devoted much of their discussion to their difficulties in getting all the insurance their companies want and various ideas were suggested for meeting the situation. One was by spreading the risks as widely as possible, including Lloyds.

One hope held out was that some of the casualty companies will after Jan. 1, 1948, take advantage of the new laws permitting them to write fire lines. It was generally agreed among the buyers that the reserve problem of the companies is not one for the buyers to worry over. "A more hopeful view of automobile was taken. It was felt that as the effects of the higher rates are felt the situation will level off.

As to property valuations, George Patchin, vice-president Appraisal Service Co., said the problem is getting more serious every day. But he added that as far as some building materials are concerned, such as lumber, prices are tending to level off, shortages are disappearing and labor productivity is 10% higher than it has been recently.

Offer Management Course

ST. LOUIS—The N.A.I.A. agency management course offered by the Insurance Board of St. Louis will start 6 p. m. Nov. 3 and continue for seven weeks. Registration is being closed when 50 enrollments are received.

New Job for Ex-Presidents

ST. LOUIS—A suggestion by O. D. Evans, past president of the Insurance Board of St. Louis, that the retiring president each year be named chairman of the board has been approved by the constitution and by-laws committee and the executive committee, and will be acted on at the annual meeting in January. Heretofore the retiring president had been made a member of the executive committee for a term of three years, and this has made that committee rather top heavy with past presidents.

President L. H. Trout has announced that a special meeting of the board will be called soon to pass on a proposal to raise dues of active members from \$35 to \$45 and associate members from \$15 to \$17.50. This will enable the board to make proper contributions to N.A.I.A., whose expanded program of activities it has approved.

Insurance Aids Credit Men

OMAHA — Ivan H. Anton, Des Moines local agent, spoke before the tri-state conference here of credit men from Nebraska, Iowa and South Dakota on "Protection by Insurance Coverage."

He recommended that the credit men add to their three "C's"—Character, Capacity and Capital—a fourth C—Coverage.

Mr. Anton declared that proper insurance coverage on the debtor will repay the credit men, with fewer bankruptcies, fewer partial settlements and fewer cases of their customers going out of business.

He also pointed out that the insurance agent is in a better position to

handle insurance, because that is his business. He suggested they ask each debtor for a recent insurance survey prepared by his own agent and if his insurance has not been thoroughly reviewed by some agent, then such an analysis should be made.

Eye Neb. Requirement

A number of independent insurance companies that have received from the Nebraska department forms of application upon which to get approval to make rates on an independent individual basis, were somewhat shocked to find that the first requirement that is imposed is to give a description of the company's staff and equipment, and qualifications to make its own rates.

Such companies are wondering just how much of a showing they must make in this regard.

Mich. Leaders to Meet

The executive committee of the Michigan Assn of Insurance Agents will meet at Lansing Nov. 6. No definite agenda has been announced.

Herberg Leaves Bureau

MINNEAPOLIS—Sanford Herberg, who has been with Underwriters Inspection Bureau for 24 years as an engineer, has resigned to go with the fire apparatus division of Mack Trucks, Inc. He is now in New York getting instructions for his work which will center in Minneapolis and cover Minnesota, North and South Dakota. Mr. Herberg has been a featured speaker at fire schools in Minnesota for 15 years.

St. Louis Quiz Winner

ST. LOUIS—The team representing the Insurance Board of St. Louis defeated the one from the East St. Louis Insurance Board in the radio "Quiz of Two Cities," the score being 135 to 110.

Mo. Farm Mutuals Meet

CAPE GIRARDEAU, MO.—About 150 representatives of Missouri farmers county mutuals attended the annual meeting here.

Speakers included Dean Forrest H. Rose, Southeast Missouri State College, Cape Girardeau; John D. Rush, associate agricultural economist U. S. Department of Agriculture; John K. Smith, Liquefied Petroleum Co., Chicago; Prof. Henry Giese, Iowa State College; Harry P. Cooper, Jr., Indianapolis, secretary National Assn. of Mutual Insurance Companies, and L. W. Trammel, Dexter, Mo., who led a forum discussion on sound underwriting practices.

E. Ray Jenkins, secretary of Richland Mutual, Mansfield, O., has been elected master of the first veil of the Ohio grand chapter of Royal Arch Masons.

Max Whitehead, with the James S. Stafford agency, Oskaloosa, Ia., was honored in recognition of 20 years with the agency. About 80 attended, including Iowa field men, former and present business associates and friends.

B. H. Backlund has joined the Dunbar agency in Omaha as appraisal engineer.

M. W. Chubb, Sutton, Neb., local agent, has bought the agency operated by Miss Frieda Grosshans since the death of her father, John C. Grosshans, several years ago.

V. H. Van Kirk of Oakdale has taken over the J. E. Martin agency, Madison, Neb. He has been in the insurance and real estate business at Oakdale for two years.

Indianapolis Assn. of Insurance Women is conducting a thorough training program for members in casualty and marine

lines. Classes are held each week on lines selected by majority vote. All instructors are members of the association under the direction of Miss Ruby Windhorst, American States, chairman of the educational committee.

EAST

Edna Curtis Heads N. Y. State Women's Group

Miss Edna Curtis, Massachusetts Bonding, Albany, was elected president of Federation of New York Insurance Women's Clubs at the convention at Schenectady. Helen Ausman, Saratoga Springs, is vice-president; Loretta Reilly, Albany, corresponding secretary; Marie Downs, Binghamton, recording secretary; Lucille Hobart, Rochester, treasurer; Helen Watson, Syracuse; Edith Mann, Schenectady; Dorothy Hennessy, Schenectady, directors.

Miss Marguerite S. Fitzpatrick, Syracuse, retiring president, presided.

Mildred Youngfleisch, president of Insurance Women of Schenectady, gave the welcome. At this session minutes and reports of all officers and committee chairmen were read. R. Douglas Boyd of Gloversville talked on "Euphemisms and Cacophonies," and several local club presidents spoke.

Pick Albany for '49

The next annual meeting will be held at Albany in April, 1949. Mid-year meetings will be held in April and October, 1948.

Mayor TenEyck of Schenectady welcomed the delegates at the banquet. Horace S. Vai Voast, Jr., of Schenectady, introduced William A. Doyle, Fidelity & Deposit, Albany, who spoke on "Bankers' Blanket Bonds and the Forgery Family or the Incomprehensible Comprehensives." Orlo M. Brees of the New York state legislature, was the principal speaker.

David A. TerBush, Schenectady, installed the new officers.

Essex County Meeting

The Essex County Insurance Agents Assn. will meet Nov. 17 at East Orange, N. J., when important matters will be discussed.

Name N. J. County V.-P.s

The new county vice-presidents of the New Jersey Assn. of Insurance Agents have been designated as follows: C. H. Fulton, Atlantic; H. P. Murphy, Bergen; Leslie Reeves, Burlington; S. R. Worthington, Camden; A. M. De Maris, Cape May; H. L. Backerson, Cumberland; J. P. Martin, Essex; Miss Ada E. Wilkens, Gloucester; S. S. Holland, Hudson; G. R. Parker, Sr., Hunterdon; R. M. Myers, Mercer; Dagmar Koed, Middlesex; Fred Smith, Jr., Monmouth; C. J. K. Myers, Morris; W. S. Sigler, Ocean; W. G. Heuser, Passaic; O. W. Acton, Salem; T. S. Van Syckel, Somerset; H. E. Watt, Sussex; R. C. Bauer, Union, and F. R. Baxter, Warren.

Flat Top Anniversary

Officers and employees of Flat Top Insurance Agency of Bluefield, W. Va., gathered at a golden anniversary dinner.

Home has been represented in the agency ever since it was established in 1897 and George K. Babcock from the head office of that company spoke in appreciation of the agency's record. George Richardson, Bluefield attorney, gave a talk and Joseph H. Bowen, president of the agency, spoke in behalf of the management.

Thomas E. Hanlon, Cincinnati manager for Employers Liability, spoke for that company which has been in the Flat Top agency more than 40 years.

Employers sent 50 golden roses to the dinner.

The agency was created the same year that Bluefield was incorporated. It was named for the prominent mountain north of the city.

SOUTH

Asks Agents to Give Data Justifying Commissions

KNOXVILLE—"The tendency toward cutting commissions is a threat to all of us," warned Sam Chester, Chattanooga, in his president's address to the annual meeting of Tennessee Assn. of Insurance Agents here.

"I urge everyone of you to cooperate to the limit in the program of the National association in determining the cost of doing business," he said. "Fill out the forms that have been sent you so that we will have definite data to prove that our commissions as they stand today are justified. The National association will present our case to the companies, to state insurance departments, and possibly in the future to the government itself."

Mr. Chester announced plans for an agents training school next June and endorsed the proposal to elect three regional vice-presidents.

One purpose of this amendment is to have a vice-president at Nashville who would head the legislative committee.

All indications are that T. K. Robinson, Memphis, now vice-president, will be elected president.

Commissioner McCormack in his address said in the 10 years he has been commissioner total receipts of the department have increased from \$1,500,214 (in 1937) to \$3,116,825 (in 1946).

During this time total fire premiums increased from \$7,794,647 (in 1937) to \$14,334,940 (in 1946); life from \$25,998,551 to \$43,784,411; marine from \$3,384,297 to \$8,106,886, and industrial from \$9,809,508 to \$22,795,508.

The annual budget for operation of the fire prevention department has increased from \$160,800 to \$274,806.

The department now audits annually statements of 578 companies.

Mr. McCormack warned agents "to safeguard your underwriting of buildings and contents, particularly automobiles in anticipation of a deflationary period." He cited heavy loss experience following the last such period.

He insisted on the need for a countersignature law, deploring the fact that local agents of the state opposed such a measure, patterned after the Virginia law and succeeded in defeating it in the 1947 legislature.

Education on Coinsurance Is Urged in Virginia

RICHMOND—There is no need for a change in provisions of fire policies in Virginia in respect to "full coverage, other insurance, coinsurance, settlement of claims and other matters affecting rights of the insured," according to a report submitted to Governor Tuck by the Virginia advisory legislative council.

However, the report, which was based on findings of a subcommittee headed by Edmund T. DeJarnette, recommended that the Virginia department require future licensees taking examinations of fire insurance to have a thorough knowledge of the operation of the coinsurance clause and be able to explain and illustrate it simply. As to fire agents already licensed, it was suggested that companies and agency organizations con-

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continue the education of agents in the operation of the coinsurance clause and urge upon them the importance of careful explanation to all policyholders. The committee expressed the belief that the small business man in particular needs to be informed as to the operation of the coinsurance clause. It was further recommended that the Virginia department have all insurance forms bear permanently in bold type the words: "Note: This is a policy with coinsurance."

Mr. DeJarnette is a member of the Richmond agency of DeJarnette & Paul and a past president of Virginia Assn. of Insurance Agents.

Va. Agents Hold Educational, Board Sessions at Luray

A one-day educational meeting at Luray, Va., sponsored by the Virginia Assn. of Insurance Agents was addressed by J. V. Arthur, Winchester, president; W. F. Curtis, Richmond, vice-president; Roger Clarke, Fredericksburg, state national director. W. J. Perry, Jr., Staunton, director seventh district, presided. Agents within a radius of 60 miles attended.

Mr. Arthur outlined what the association is doing. Mr. Curtis discussed "Fidelity Bonds — Their Importance Now." Mr. Clarke's subject was "Some Thoughts on Automobile Insurance."

The meeting was preceded by a session of the board. Plans were discussed for the first midyear meeting to be held at the Jefferson Hotel, Richmond, Dec. 5.

R. S. Busbee Heads N. C. Fire Rating Bureau

R. S. Busbee, president Atlantic Fire, was elected chairman of the governing board, and Philip C. Abney, vice-president of Firemen's, vice-chairman of North Carolina Fire Insurance Rating Bureau at the annual meeting at Raleigh.

J. Carter Cook, manager Carolina Ins. Co. was appointed chairman of the executive committee and James W. Blakeney, North America, Winston-Salem, vice-chairman.

Landon Hill, Raleigh, was reappointed manager and John H. Hutchins, assistant manager. J. M. Broughton of Raleigh was reappointed counsel.

These companies were elected to the governing board: American, Hardware Mutual Fire, Piedmont Fire, and Continental.

The following were appointed to the executive committee: Messrs. Blakeney and Cook and Henry D. Haywood, R. V. Herrin, Spotswood H. Hunt, Henry H. McKimmon, Harold E. Pugh, K. R. Smith, M. R. Whisnand.

Agency Has New Officers

J. L. Norton is now president, treasurer and general manager of the Westbrook Insurance Agency, Charlotte, N. C. He succeeds the late Clifton M. Westbrook. G. F. Jones and E. L. Beam are vice-presidents; Mrs. C. M. Westbrook, secretary.

Virginia Veteran Honored

In recognition of 40 years' service in insurance, representatives of seven leading stock companies tendered B. Y. Calvert, Lynchburg, Va., agent, a dinner party. Field men attending presented Mr. Calvert a silver tray; two silver candlesticks were presented by U. S. F. & G. and Fidelity & Guaranty presented him a silver bowl. Other companies represented were Royal, Imperial, Fidelity-Phenix, National Union and Phoenix Indemnity.

Britt Named in Carolinas

Frank E. Britt, Jr., has been appointed special agent for Northwestern Mutual Fire in western North Carolina and South Carolina. J. M. Battle is vice-president and head of the southeastern department in Raleigh.

Mr. Britt joined Northwestern in 1929, and except for 3½ years in the

army, has served continuously in the Raleigh headquarters as accountant, fire underwriter, chief underwriter of inland marine and inspector.

West & Co. Build in Dallas

Floyd West & Co., Dallas general agency for 16 companies, will build a two-story office building at Lemmon avenue and Welborn street, with some 24,000 square feet of floor space on each floor. The partnership includes Floyd West, president; Frank H. Duff and J. A. Travis. The new building will be in the vicinity of the home offices of Republic and Gulf, the latter now being under construction.

Atlanta Loss \$250,000

ATLANTA—The plant of Custom Manufacturing Co. burned with loss of \$250,000. It makes radio and phonograph cabinets and occupied a two-story building, 75 by 150 feet, carrying a large stock of supplies, including \$75,000 worth of valuable walnut and mahogany. The building, owned by J. S. F. Realty Co., was valued at \$100,000. The loss was largely covered by insurance.

Dallas Agents Plan Meetings

The Dallas Insurance Agents Assn. will devote its November membership luncheon to a report of the Atlantic City convention of N. A. I. A. The second meeting Nov. 20 will honor Dean Harry J. Loman of the American Institute for

Property & Liability Underwriters, and the five Texas men who won the C. P. C. U. designation this year.

Give Auto Driving Courses

OKLAHOMA CITY—A new phase of safety education has been launched by the Oklahoma City Insurance Exchange in the form of courses in automobile driving. A one-week course in motor car driving was given by a special instructor for teachers, who are expected to teach the children the mechanics of an automobile necessary to know how to handle and drive a car.

A committee has been appointed to rewrite the by-laws of the exchange.

Cut Cotton Fire Losses

MEMPHIS—As a result of a campaign launched a year ago by National Cotton Compress & Warehouse Assn., in cooperation with National Cotton Council and National Cotton Ginners Assn., the annual loss in cotton fires of \$14 million has been reduced 40% the past year and the number of bales involved in fire 79%. John H. Todd of the association reports. Special attention has been given to the "fire-packed bale." In the 1945-46 season 90,894 bales were damaged or destroyed in this manner. This number was reduced 79% the past year.

Perry Huff of Parker & Huff, adjusters, spoke on "Alaska as a Possibility for Employment" at a dinner meeting of the Insurance Women's Assn. of Seattle.

PACIFIC COAST AND MOUNTAIN

Agents Hosts to Rocky Mountain Supervisory Group

The directors of the Colorado Assn. of Insurance Agents entertained the members of the supervisory committee of the Rocky Mountain Fire Underwriters Assn. and the managing committee of the Mountain States Inspection Bureau at a cocktail party and dinner at the Broadmoor Hotel, Colorado Springs, following the meeting there of the supervisory committee. The dinner was an informal affair and was inspired by the feeling on the part of the agents that there should be a better understanding between fire companies and agents in the interest of better public relations in this difficult period. An informal discussion of mutual problems followed the dinner.

The hosts were: Ralph E. Austin, state national director; L. Allen Beck, president; Roy W. Waters, vice-president; James M. Kellett, secretary; Fred W. Noe, treasurer; Dean H. Dowis, Sterling; Frank England, Jr., Denver; Charles Hopkins, Colorado Springs; Sam Jones, Pueblo; Fred R. Kelly, Rocky Ford; Cecil A. Lee, Pueblo; Floyd Padgett, Colorado Springs; William Sanborn, Denver, and Milton Warren, Denver.

Their guests were: Ray Decker, Royal-Liverpool; Raymond Ellis, Fireman's Fund, and S. T. Shotwell, North British, all of San Francisco; E. A. Henne, America Fore; A. F. Powrie, Fire Association; Charles H. Smith, S. M. Buck, Great American, all of Chicago; George E. Stroub, Home, New York, members of the committee; Russell Hobbs, Western Actuarial Bureau, Chicago; Frederic Williams, secretary Rocky Mountain Underwriters Assn., and H. M. Mack, manager Mountain States Inspection Bureau.

McDonald Sent to Seattle

R. W. McDonald, who has had nine years' home office claim experience, has been assigned to adjusting for Northwestern Mutual Fire in the Seattle area. He is a graduate of University of Wash-

ington and worked as an industrial insurance adjuster for the state prior to joining Northwestern as a claims clerk in 1938. He has been office manager in the claim department since 1943.

Bauermeister So. Cal. Manager of National Union

LOS ANGELES—National Union has appointed W. F. Bauermeister southern California manager.

He has been with Pacific Board and Pacific Fire Rating Bureau since 1925, except for service in the recent war in the coast guard, and has been chief examiner since 1936.

Wash. Advisory Committee in Session with Groups

The Washington Advisory Committee held a two-day session in Seattle, conferring with the contact committees of the Washington Assn. of Insurance Agents, Washington Fire Underwriters Assn., Inland Empire Fire Underwriters Assn., J. K. Woolley, manager Washington Survey & Rating Bureau, and officials of the Washington Insurance Examining Bureau.

Herbert Ryman, Great American, chairman Washington committee, presided. Other San Francisco executives who attended were Richard Orlob, Atlas; H. Clyde Edmundson, America Fore; R. L. Countryman, Norwich Union; R. H. Griffith, Glens Falls, and Lee S. Gregory, Fireman's Fund. Evert Lamping and A. W. Whalley are northwest general agents on the committee.

Stevens Oregon Inspector

Howard W. Stevens has been appointed an inspector in the Oregon department of Northwestern Mutual Fire, associated with Lyman Ericson, senior inspector in Oregon.

Fete Gilbert, Silviera

LOS ANGELES—Al W. Gilbert, formerly manager of District C of Pacific Fire Rating Bureau, who has been transferred to San Francisco as assistant manager of the bureau, and J. W. Silviera, who succeeds him as manager of District C, were guests of honor at a

Ohio Farmers Has Mich., Ohio Changes

Ohio Farmers and Ohio Farmers Indemnity have appointed James J. Work as state agent for Ohio with headquarters at Toledo. He has been with Ohio Farmers since 1940, most recently as special agent in Indiana. He was an army captain in the war.

Thad S. Troy has been named state agent in Michigan for these companies with headquarters at Grand Rapids. He replaces Stanley A. Syrett who resigned.

Mr. Troy has been with Ohio Farmers the past two years, traveling north-east Ohio. He had traveled in Ohio for other companies eight years.

Fay Explains Rating Plans in Mountain States

Rollo E. Fay, San Francisco, Pacific Coast manager of National Bureau of Casualty Underwriters, is visiting the mountain states to explain the procedure for filing of rates by casualty companies under the new laws. He will be in Denver Nov. 4, when he will meet with a committee from the Colorado Assn. of Insurance Agents and Mountain States Casualty & Surety Assn. He will address the Denver association Nov. 6. Before going to Colorado Mr. Fay will address an industry meeting in Arizona and following his stay there he will speak in New Mexico.

luncheon given by a group of insurance friends.

Perk Whittier Speaker

Harry Perk, Jr., Los Angeles agent, lectured before the insurance class conducted by the Whittier Insurance Exchange on the insurance code, reviewing the new legislation passed by the 1947 legislature.

Speer Speaks at Spokane

Capital structure of fire insurance companies was discussed by Howard B. Speer, special agent Atlas, at a luncheon meeting of Spokane Insurance Assn.

W. J. Swordling has joined the Los Angeles office of Toplis & Harding and will specialize in aviation losses.

MARINE

Inland Marine Bureau Accepted in 32 States

The Inland Marine Insurance Bureau filings are now acceptable in 32 states and Alaska. Only 16 states plus the District of Columbia and Hawaii have not approved I.M.I.B. as yet, including those states which have not recognized the inland marine definition or adopted rate regulatory laws.

Most of the state are expected to join the fold by the end of the year when the original public law 15 deadline expires or by July 1, 1948. The 16 remaining states are California, Idaho, Illinois, Kansas, Maine, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Ohio, Oklahoma, Rhode Island, Virginia and Wisconsin.

Carl Briner Is Heard at Marine Institute Meeting

Harold Jackson, McGee & Co., presided at the annual luncheon meeting of American Institute of Marine Underwriters at New York. The meeting was addressed by Carl Briner, president of International Union of Marine Underwriters. The five directors whose terms were expiring were reelected. Officers will be elected by the directors in December.

Grain Market Is Big Problem

(CONTINUED FROM PAGE 1)

when, because fires in grain, cereal and flour mills, stock food factories, grain elevators and warehouses increased 50% during the last year, National Board issued a special warning to fire departments and all concerned with the handling of grain to maintain vigilance against fire.

National Board points out that four fires alone in grain elevators and mills late in 1946 and early this year each destroyed several million bushels of grain and caused losses of from one to three million dollars.

The bulletin states that with emergency relief demand of 100,000,000 bushels of grain for the starving people of warswept areas, and the need for maintaining a fairly normal supply for the people of the United States, immediate action to prevent destruction is of vital importance.

It is termed essential that all establishments storing, handling and processing grain and grain products should be vitally interested in a self-inspection service, involving not only a periodic check-up, weekly, but entailing constant vigilance of conditions most apt to cause fires.

Mutual Agents Hold Annual Get-Together

(CONTINUED FROM PAGE 4)

think it is worth. Then he goes to linens, furniture, etc. In this manner the prospect is led out until he discloses his full value and the policy is written for that amount.

Mr. Murray demonstrated that he has great faith in the value of the P.P.F. He and every member of his agency has a policy and for less money than a fire extended coverage contract plus burglary.

Chairman of the business interruption meeting was Frederic M. DuBois of Berkshire Mutual Fire, assisted by F. A. Greenwood of Lumbermen's Mutual of Mansfield and J. Wallace Aggett, Atlantic Mutual.

Paul H. Dubuc, Shelby Mutual Casualty, and Paul Brown, Lumbermen's Mutual Casualty, were in charge of the fidelity and surety discussions.

One Day on Prevention

A realistic approach to fire and accident prevention took up the entire third day. That the agents realized their responsibilities along these lines was shown in the report of Joseph T. Magnus, Chicago, chairman of the accident prevention committee, who at the business session told the results of letters he had sent to companies asking for their materials in that field. The answers were disappointing, he said, and only a few companies revealed any widespread activity.

J. D. Randolph, Greenville, S. C., was chairman of the session. Sherwood Brockwell, North Carolina fire marshal, led off. Roy R. Allsopp, special agent Grain Dealers National Mutual, and Fred A. Hoffman, special agent Chester County Mutual, demonstrated a kit they have developed which exposes a number of fire hazards and how to combat them. These kits are being made in quantity and will be available to field men for demonstration purposes before civic groups.

An American Legion film on teen age drivers and the necessity for driver instruction at lower ages was shown. That subject was also taken up by R. E. McCombs, Shelby Mutual Casualty, and by Byron H. Carmean, superintendent of schools at Shelby, O. Mrs. Mildred Y. McKay, safety director of Cleveland Auto Club, told what Cleveland has accomplished with driver training in high schools.

The meeting closed on an inspirational

note with the talk of C. D. Berg, general sales manager of the Iron Fireman Co. Mr. Berg has addressed many agent groups and is well known throughout the country.

The number of notable selling speakers was increased to three with the talk of V. E. Vining of Westinghouse Electric, who spoke at a breakfast of Central Manufacturers Mutual.

There were no company headquarters at the convention, but field men were much in evidence as many companies had booths in the exhibition room. The opportunity for intermingling was increased at the get-together party the first evening. The Ohio association was

host and provided a wide variety of entertainment.

An "office efficiency in agency management" session provided a chance for exhibitors to display their wares. Among those were Friden Automatic Calculators, International Business Machines, Aetna Products Co., makers of Del-a-Tape, and others.

Frank C. L. Merritt has been named vice-president of Consolidated Appraisal Co., New York. He was formerly assistant manager of the brokerage and service departments of American and earlier was president of Hackensack Agents Assn.

Buyers Aware of Fire Legal Liability

(CONTINUED FROM PAGE 1)

bility policy. One of the members criticized that practice as tending to load the contingent liability policy with losses. Another said that the company is doing the employee a favor by requiring him to carry insurance. He pointed out that if the employee gets a mileage allowance, the company is actually paying for the cover.

Insurance of Contractors

Another question that was discussed was the matter of checking on the insurance of contractors.

One member stated that his company has a fixed standard requiring a contractor to carry \$50/100,000 B.I. limits and \$50,000 P.D. In connection with painting and small jobs, a hold harmless clause, however, is regarded as sufficient. In answer to a question, he said that there is but one large contractor that self-insures and this company accepts that arrangement. This contractor's financial statement was thoroughly analyzed. He said that his company would not permit too much of that sort of thing.

Another member said that his company requires an owners' protective policy covering the work the contractor is performing for the company. This covers claims of the contractor's employees against the company and that protects the latter's retrospective plan experience. The rate, he said, is cheap.

The question was raised as to contractors that are doing work on a cost-plus basis including insurance costs, and furnish insurance certificates in mutual companies or in stock companies under a retrospective plan. The question was whether the company should insist upon getting the credit for any mutual dividend or rebate under a retrospective plan. One member said that his company asks the contractor to sign waivers to them of rebates and it insists that the contractor get a policy covering that particular job so that his experience won't be blended into that of his general operations.

Assessment Liability

Then there was the question of where the company would stand if it had such a waiver, and the contractor had insurance in a mutual company that failed and a policy assessment was levied.

One of the members said that he would not approve a mutual company with an assessment clause.

In the course of the discussion, one of the members mentioned the importance in certain types of operations of having an installation floater, and he counseled anyone buying such insurance to shop thoroughly. He said he had one quotation for such a cover of \$600, but he eventually got what he wanted for \$60.

It was announced that the Chicago group, along with the Pittsburgh and New York City insurance buyers, would have a special meeting the evening of Nov. 18 during the meeting of the insurance division of American Management Assn. at Chicago. This will be for buyers exclusively and will be ad-

dressed by W. W. Clement, manager of National Assn. of Insurance Brokers.

A committee was appointed to arrange for the Christmas party, consisting of John Walmsley of Borg-Warner, L. J. Ronder, Continental-Illinois National Bank & Trust Co., and Arthur Murray, Container Corp.

Late Casualty News

N. E. Casualty Advances Isherwood and Lichty

New England Casualty has made James B. Isherwood, Jr., superintendent of the automobile department, and M. Gerry Lichty, superintendent of the compensation and liability department at the head office.

Mr. Isherwood has been handling automobile liability underwriting since joining the organization in 1944. A native of Waterbury, Conn., he attended Columbia College, after which he spent eight years with Aetna Casualty.

Mr. Lichty, handling compensation and liability underwriting since he joined the company in 1944, was born at Norway, Ia. He spent three years at Annapolis, followed by two years with the National Bureau of Casualty & Surety Underwriters and 15 years with the Phoenix-London group.

May Merge Casualty Units in Fireman's Fund Group

Fireman's Fund is taking steps to acquire 100% ownership of Fireman's Fund Indemnity. There are now 36,774 shares of the indemnity company that are not owned by Fireman's Fund.

Individual stockholders of the indemnity company will be offered stock of Fireman's Fund on a share for share basis. Stockholders of Fireman's Fund are meeting Nov. 10 to vote on a proposal to increase the capital from 509,232 shares to 545,371 shares. The new shares plus 536 already authorized and unissued will provide the 36,744 shares needed to complete the transaction. Those owning 10 shares or less of the indemnity company stock will be offered cash.

Consideration is also being given to merging Fireman's Fund Indemnity with Western National Indemnity. Also the management states that if the business of Fireman's Fund continues to grow, it may make an offer of additional stock.

Medical Plan for Painters

More than 8,000 painters, members of the New York City local of the Brotherhood of Painters, Decorators & Paperhangers, AFL, will be covered by a comprehensive medical care plan, first to be instituted for a building trade union. The plan provides complete physician's service in the home, at the doctor's office, and in the hospital. Also included are specialist care, diagnostic

and laboratory procedures, periodic health examinations, eye examinations, visiting nurse service, and ambulance service. The benefits are underwritten by Health Insurance Plan of Greater New York.

The medical benefits are in addition to life, accidental death and dismemberment, weekly accident and sickness, and hospitalization insurance for employee and family. Prudential and Blue Cross provide the latter coverages. They have been in effect since 1946 and are financed through employer and contributions of 3% of the gross payroll to the Painting Industry Insurance Fund. Three employer and three union trustees administer the fund.

Martin E. Segal & Co. was insurance consultant on the medical plan. Premiums for both insurance and medical care will exceed \$450,000.

Add \$287,500 to Resources

Capital of Selected Risks Indemnity of Branchville, N. J., is being increased from \$400,000 to \$500,000, and \$187,500 is being added to surplus.

There is being distributed a stockholders dividend of one share for each 16 held as of Nov. 12 and there will be sold 7,500 new \$10 par value shares at \$35 per share.

Aleidis in Local Agency

Hugo E. Aleidis, for the past two years superintendent of agents for Colonial of Los Angeles, has entered the local agency business in North Hollywood.

Dobbs Speaks at Atlanta

Joseph N. Dobbs, claim supervisor Mutual Benefit H.&A., discussed claim work among insurance companies at the October meeting of the Atlanta A.&H. Underwriters Assn.

President Alton Sanders, Great Northern Life, outlined the program for the winter months and told of plans for the Atlanta sales congress Nov. 14.

Sept. Deaths UP 1%

September traffic deaths totaled 2,820, an increase of 1% from the same month of 1946, the National Safety Council reports. For the nine months, the toll was 23,200, a drop of 4%.

To Sponsor C.P.C.U. Courses

The Nashville Insurance Exchange, starting next January will sponsor a course in general insurance in connection with the extension division of the University of Tennessee. This is the first of several terms in preparation for C.P.C.U. examinations. Classes will be two nights each week.

Sidney S. Miller, 54, general counsel and vice-president of Vernon General, died at Indianapolis.

PERSONALS

Henry Guthunz, president of Anchor Casualty, has become a grandfather, a son having been born to Dr. and Mrs. Jack Lauer of Bismarck, N. D. She is the former Dorothy Jane Guthunz.

John G. Ciciarelli, resident vice-president of Mutual Benefit Health & Accident Assn. and United Benefit Life in Hawaii, put in a plug for statehood for the islands on a visit to the home office at Omaha.

Fred Miller, superintendent of the underwriting department of Hawkeye Casualty, has been elected president of the League of Iowa Municipalities. In addition to his insurance duties, he is a councilman in his home town of Ankeny, Ia.

Moses A. Craig, formerly vice-president of Globe Indemnity, who was recently retired, was married the other day to Mrs. Eleanor Tousley Rowe in the First Presbyterian Church, Cranford, N. J. Mr. Craig is widely known in surety circles.

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properties out of town over which a Royal Charter gave him full manorial rights. On one of his estates, in 1682, he erected the original Philipse Manor Hall which is incorporated in the present structure.

A man of culture and education, the second

Frederick, who succeeded to the title upon the death of his grandfather, played a prominent part in the affairs of the community. It was he who in 1745 enlarged the manor house to three times its original size. His two daughters, Mary and Susannah, made the house a mecca for many of the gallants of the day.

It was during the regime of the third and last Frederick that his sister, the beautiful Mary Philipse, met Washington. Whether he was actually a suitor is not certain, but a century later her grand-nephew declared that if the dominant Mary had become Washington's wife she would have prevented his leadership of the American cause. Whatever Washington's aspirations may have been, it was Roger Morris whom Mary chose from among her many admirers.

A legend relates that during the brilliant wedding festivities a tall blanketed Indian appeared in the doorway and is supposed to have intoned, "Your possessions shall pass from you when the Eagle shall despoil the Lion of his mane."

For years Mary pondered this strange prophecy, but its meaning was not revealed until the Revolution when, like many other loyalists, the Philipse family and their connections were virtually banished. The American Eagle had despoiled the British Lion of its Colonial possessions.

Thereafter the Manor Hall belonged to a succession of

private owners until it was sold to the city of Yonkers in 1868. Used as the City Hall for some years, it is now under the joint custody of the New York State Department of Education and the American Scenic and Historic Preservation Society.

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Mary Philipse



The scene of Mary's elaborate wedding to Roger Morris

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